

Suggestion: Limit impacts of government shutdowns to those who cause them—the White House and Congress

As we write this column, the US is going into the 23rd day of the partial shutdown of the federal government. When we discussed the shutdown in the previous column, we hoped that column would be old news by the time you read it in your agricultural newspaper or on our website (www.agpolicy.org). Tragically that was not to be. The shutdown continues with no end in sight.

On its website, The Washington Post provided a video (<https://tinyurl.com/y7mu448m>) that featured John Boyd of Baskerville, VA. Boyd said “this thing is a national disaster...I need my money so I can plant my crop on time and finish harvesting.” He sold soybeans for \$16.00 a bushel and says now he will be lucky to get \$8.00 if he can find a buyer. With the Chinese trade dispute, he needs the promised Trade Retaliation Mitigation payment to finish harvesting his soybeans and plant his wheat crop. “Because of the President’s government shutdown, I cannot get my check from the US Department of Agriculture,” Boyd said.

A New York Times (NYT) story written by Jack Healy and Tyler Pager began by highlighting the problem of a Georgia “pecan farmer [who] lost out on his chance to buy his first orchard. The local Farm Service Agency office that would have processed his loan application was shut down” (<https://tinyurl.com/yc7e9ngg>). The impact on Davinder Singh was “losing out on the chance to finally buy his own orchard instead of working other people’s land.”

In another NYT story (<https://tinyurl.com/ycugkkp6>), this one by Sheila Kaplan, she wrote, “The Food and Drug Administration has stopped routine food safety inspections of seafood, fruits, vegetables, and many other foods at high risk of contamination because of the federal government’s shutdown, Dr. Scott Gottlieb, the agency’s commissioner, said on Wednesday.

“F.D.A. inspectors normally examine operations at about 160 domestic manufacturing and food processing plants each week. Nearly one-third of them are considered to be at high risk of causing food-borne illnesses. Food-borne diseases in the United States send about 128,000 people to the hospital each year, and kill 3,000, according to the Centers for Disease Control and Prevention.”

On Saturday, January 12, 2019, CNBC reported: “Miami International Airport will close one of its terminals early this weekend as double the usual number of Transportation Security Administration officers, working unpaid in the partial government shutdown, called in sick.

“The TSA workers are among the some 420,000 federal employees deemed essential who are working without pay. Amid the shutdown, which began on Dec. 22 and is now the longest ever, TSA officers missed their first paycheck on Friday” (<https://tinyurl.com/y7y5lmub>).

These are highlights of a few of the many stories about the impact of a government shutdown that affects 800,000 government workers across the country.

We share this selection of stories documenting the impact of the shutdown on a wide number of US residents to illustrate an economic concept that has policy implications.

From an economic perspective, we call the effects illustrated in these stories negative externalities; the shutdown negatively affects people who are not direct parties to the dispute. The shutdown creates negative externalities for farmers, consumers, fliers, workers and all

recipients of the services provided by the agencies affected. By way of contrast, the disputants, Congress and the President experience no direct effects in the short-term.

You don't quickly solve a dispute when the people who are party to the dispute don't feel the immediate pain. That leads us to a couple of suggestions to change the nature of government shutdowns.

If the Senate won't participate in the negotiations and refuses to act until the House writes legislation that is acceptable to the President, why do we need a Senate at all? They need to roll up their sleeves and do their job.

These shutdowns typically involve departmental appropriations or a decision to increase the debt ceiling. The goal of a shutdown is to force the other side to cry "Uncle" and capitulate to the demands being made. We believe we need to establish policies to prevent shutdowns that involve the bulk of the federal workforce. The work they do is too critical to be subject to a shutdown.

Instead of subjecting the general public to a shutdown, we suggest that the negative externalities be shifted to the disputants and their direct staff. If either the President or Congress want a shutdown to force the hand of the other, then limit the shutdown to the President and the executive staff of the White House, members of the Cabinet, and members of Congress and their staffs—not including the kitchen staff, the groundskeepers, the cleaning staff and the like. The shutdown should include salaries and travel, so the disputants feel the pain immediately. If they are not able to charge their travel home to office expenses or their campaign, they will be less likely to go home for the weekend and more likely to hammer out a compromise.

To force most government workers and the general public to be subject to the impact of a shutdown is unacceptable.

Policy Pennings Column 959

Originally published in MidAmerica Farmer Grower, Vol. 37, No. 205, January 18, 2019

Dr. Harwood D. Schaffer: Adjunct Research Assistant Professor, Sociology Department, University of Tennessee and Director, Agricultural Policy Analysis Center. Dr. Daryll E. Ray: Emeritus Professor, Institute of Agriculture, University of Tennessee and Retired Director, Agricultural Policy Analysis Center.

Email: hdschaffer@utk.edu and dray@utk.edu; <http://www.agpolicy.org>.

Reproduction Permission Granted with:

- 1) Full attribution to Harwood D. Schaffer and Daryll E. Ray, Agricultural Policy Analysis Center, Knoxville, TN;
- 2) An email sent to hdschaffer@utk.edu indicating how often you intend on running the column and your total circulation. Also, please send one copy of the first issue with the column in it to Harwood Schaffer, Agricultural Policy Analysis Center, 1708 Capistrano Dr. Knoxville, TN 37922.