

Playing chicken during a shutdown

We are currently living through the third government shutdown during a Trump presidency. The first started in January 2018 and lasted only two days. The second started in December of the same year and lasted 34 days, which is the longest shutdown in the last 50 years. The current shutdown started on October 1, so by the time this article appears in print, it will have lasted about a week and a half. How long will the current shutdown last?

No one knows for sure, but a model from game theory can give insight into the dynamics that will determine the duration of this shutdown. This model, the game of chicken, can be characterized

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by two young men trying to prove that they are macho. They do this by getting in cars and racing toward each other. The driver who drives straight will be considered macho. The driver who turns away from the impending collision will be considered a wimp.

In order for driver A to win this game, he must convincingly promise to drive straight no matter what. Driver A can make his promise credible by removing his steering wheel (which takes the option of turning away from him). Driver A can also make a credible promise by appearing to be crazy enough to drive straight. If driver A is convincing, then driver B will turn to avoid a collision, since driver B does not want to die in a car crash. In this scenario, driver A will win the game.

Of course, driver B also tries to convincingly promise to drive straight. The driver who is more believable in his promises will win this game of chicken because the other driver will turn to avoid a head on collision.

The two political parties are on a collision course as described by a game of chicken. Each party has staked out its position. The Republicans want a continuing resolution that keeps spending at previous levels. The Democrats want a continuing resolution that also extends healthcare subsidies that are about to expire. A long government shutdown would be like a car crash, incumbents in both parties would suffer political damage. Each party is claiming that they will not negotiate and that the other party must accept its offer to avoid political disaster.

Who is more credible? Both parties have advantages and disadvantages in making believable threats. First consider why the Democrats' threats may be believable. The Democrats' Senate majority leader, Chuck Schumer, worries that if he backs down that he will be more likely to lose his Senate reelection campaign. Alexandria Ocasio-Cortez (AOC) will probably run against Schumer in the primary for his Senate seat and many pundits believe she will be more likely to win if Democrat voters believe that Schumer backed down in this game of chicken. On the other hand, Democrats' threats may not be believable since federal workers are more likely to vote Democrat. These voting blocks will get increasingly upset as they have to go longer periods of time without paychecks. These angry Democratic voters will put pressure on their Democratic Congressmen to end the shutdown. This will be especially evident in Virginia and Maryland, which have high concentrations of federal workers who live in these states but who are employed in Washington D.C.

The Republicans have their own advantages in making believable threats. Trump appointee Russell Vought, the head of the Office of Management and Budget, has threatened to use the government shutdown as an excuse to fire federal workers that are implementing programs that Democrats favor, and that Republicans believe should be cut. If Vought starts announcing firings on a regular basis, then Democratic legislators may fear that voters will punish them for allowing these programs to be cut. Fearing electoral loss, these legislators may accept the Republicans' terms.

On the other hand, Republicans face a disadvantage. Their clock is ticking. Currently the Republicans hold the presidency and the majority in both chambers of Congress. This is their best chance to enact their policies. And the government shutdown will be such a focus of Congressional attention that the Republicans will be squandering their opportunity to implement their favored policies. The Republicans may lose the majority status in one chamber after the midterm elections. If, for example, the Democrats control the House after the midterms, they will more effectively block Republican initiatives. To take advantage of their, perhaps fleeting, time in control of the Congress and the Presidency, Republicans might cave to make the issue of a shutdown go away and to make the issue stop wasting their precious time.

There are two outcomes that are likely. First, one party will convincingly make a more credible promise that it won't back down. In this case, the other party will back down, and the shutdown will be over. The second outcome is more dire. Both parties may believe they each can make a more credible promise to stay the course. If this happens, we will get the political equivalent of a car crash – which is a long government shutdown.

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