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Random interactions in the Chamber: Legislators' behavior and political distance☆

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ABSTRACT

I investigate the role of social interaction among Members of Parliament (MPs) and the impact of such interaction on the political distance between parties. Using the random allocation of seats in the Icelandic Parliament, I find that MP's voting and speech behaviors are affected by the behavior of legislators seated nearby. I also show that greater (random) exposure to MPs from different parties ultimately reduces the political distance between parties. Similar evidence is found using historical data for the U.S. House of Representatives, by exploiting the introduction of a lottery mechanism to determine desk assignments in 1845. I argue that random seating arrangements could constitute a low-cost way of reducing differences within the political arena.

1. Introduction

Social interactions are important for understanding individual behavior. We know that influence of other people shapes decisions to invest in education (Evans et al., 1992; Sacerdote, 2001), financial decisions (Duflo and Saez, 2003; Dahl et al., 2014), knowledge spillovers (Bandiera and Rasul, 2006) and workers' productivity (Bandiera et al., 2009; Mas and Moretti, 2009). However, little is know about the role of social interactions in politicians' choices and overall political polarization. My paper aims to fill this gap.

Parliament is the place where legislators sit together to avoid conflict through debate and discussion, the *locus* designed to foster interactions and exchange of ideas among politicians. Physical proximity in the Assembly Hall facilitates communication and member of different parties sit together on the Chamber floor for the purpose of achieving common goals through verbal interaction and cooperation.[1]

In this paper, I investigate to what extent Members of Parliament' (MPs) voting and speech behaviors are affected by the behaviors of legislators seated nearby and whether fostering contacts among peers of different parties can ultimately play a role in reducing the political divide in the context of the Icelandic Parliament.

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[1] The importance of spatial proximity and the role of social interaction are reflected in the design of Assembly Halls. The semicircular design (*Hemicycle*) adopted in most European Countries and in the United States, was conceived to mitigate the adversarial nature of the political arena and to promote cooperation among legislators. The most common alternative design is the so-called *Westminster*-style, where the government and opposition parties sit on opposing benches: this is believed to increase the distance between parties, and therefore to reinforce the differences across groups (Goodsell, 1988; Macintyre, 2008). Indeed, while the semicircular design allows MPs from different parties to interact (e.g. those sitting at the extremities of two contiguous party-blocs), the alternative layout negates this opportunity.

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While fascinating, there are several problems that may render vain any attempt to empirically investigate the effects of social interaction in the Legislative Chamber, and the impact of such interaction on the political distance between parties. Firstly, MPs tend to form their own specific groupings: they are usually free to choose their own seats, and may choose to sit near a friend, for example. Therefore, identification of the causal effect of social interaction on legislators' behavior is complicated since it is not possible to directly observe how the seat selection process actually works. Secondly, MPs are usually grouped together in accordance with party blocks, and therefore is it difficult to understand the extent to which seating arrangements in the Chamber affect political distance.

I tackle all of these concerns by exploiting the fact that, unlike other Parliaments in the world, where seats are assigned on the basis of political membership, the seat distribution in the Icelandic Chamber is based on a lottery system. The random allocation of seats in the Assembly Hall allows me to solve the problem of endogenous group formation in the Chamber, while at the same time it enables MPs to sit near to others with different ideas and/or from different parties.

An analysis of all votes held in the Icelandic Parliament between February 1991 and February 2017, using an instrument for peers' voting decisions based on their network structure, shows that the probability of an individual MP failing to toe the party line is higher, the higher the fraction of peers sitting nearby who cast a vote that is different from said MP's party line. The likelihood of an MP failing to toe the party line is around 30 percentage points higher when all peers seating nearby cast a vote that is different from her own party line (i.e. divergent peers), even when accounting for legislator fixed-effects, party-session fixed-effects and voting procedures fixed-effects.

This result implies that repeated contacts and face-to-face interaction with peers sitting nearby play an important role in MPs' voting decisions. This hypothesis is confirmed by the fact that peers' influence grows stronger over time: the effect of being surrounded by peers with divergent ideas increases by approximately 3 percentage points each month. Moreover, since it is physically easier for an MP to interact with other members located in the seats in the same row (right and left) than those in different rows (front and back), I show that MPs' voting behavior is affected to a greater extent by members located in the seats in the same row (right and left), than it is by those in different rows (front and back). Finally, I provide suggestive empirical evidence to show that peers' influence has a larger effect in relevant instances. I argue that these results provide no support for the hypothesis that the main driver of previous findings is MPs' limited attention, but are consistent with an alternative hypothesis of exchange of ideas through repeated interaction.

Likewise, I also show that peer influence plays a role in MPs' speech behavior. Using data on the full set of speeches given in the Icelandic Parliament over the last decade, I show that peer influence accounts for nearly one-sixth of an MP's party's tendency to use a certain word.

The implications of these results are non-negligible. Over the past recent years, concerns have been raised about the negative consequences of growing political polarization[2] and, given the importance of peers' influence and the role of social interaction in explaining MPs' voting and speech behaviors, fostering contacts among peers of different parties can ultimately play a role in reducing the political divide. To support this hypothesis, in the last part of the paper I show that the greater the spatial proximity between members of two different parties generated by the random allocation of seats in the Chamber, the lower the political distance between them will be. Results imply that the adoption of a *Westminster*-style design (i.e. a design of the Assembly Hall where all party members seat next to each other and different parties sit in non-adjacent benches) will increase political distance between parties in the Icelandic Parliament by around 6%. This result suggests that random seating arrangements, by fostering interaction among politicians from different parties, can be used as a low-cost way of reducing disagreements in the political arena.

In the last part of the paper, I provide evidence in favor of the external validity of the results based on the Icelandic case by providing additional evidence of the role of peers' influence in the U.S. Congress. When Icelandic politicians decided to opt for the random allocation of seats in the Chamber in 1915, they were inspired by the seating rule in place at that time in the U.S. House of Representatives, where a lottery mechanism to determine seating arrangements was introduced in 1845. Using historical seating plans data for the U.S. Congress, I show that U.S. Congressmen seated with those from the opposing party (i.e. those seated on the wrong side of the aisle, that is Democrats seated on the Republican side, and vice versa) were more likely not to toe their own party line. Overall, the results obtained using historical data on U.S. Congress, confirm those findings based on modern Icelandic Parliament data.

1.1. Related literature

This paper relates, and contributes, to different strands of literature.

Firstly, it complements the literature on the determinants of legislators' behavior. The implications of the existence of social-interaction effects among legislators are both theoretically and empirically important: if behavioral factors help explain MPs' decisions, then theories that neglect these factors should be revised.[3] This work is not the first attempt to empirically investigate the role of social interaction in legislative chambers. Masket (2008), using data for the California Assembly from 1941 to 1975, provided evidence of the fact that legislators sitting next to one another influence each other's voting behavior. Cohen and Malloy (2010) obtained similar results when providing evidence of the strong impact of seat location on the voting behavior of U.S. Senators. However, in neither of these studies the authors were able to address the identification concern that legislators self-select into particular network: legislators are usually free to choose their own seats and, for example, they may choose to sit near their friends. As a consequence, previous studies document a series of suggestive empirical regularities, but they do not provide causal evidence of the role of colleagues' influence on legislators' voting behavior. In a recent paper, Harmon et al. (2017) document peer effects among Members of the European Parliament by using the assignment of seats in alphabetic order (in the case of most parties) in the Chamber. Their results suggest that MPs (from the same party) sitting next to one another are more likely to vote the same way. Contrary to their approach, I exploit the full randomization of seats. Therefore, concerns relating to the fact that MPs with similar names tend to have more similar backgrounds, and

[2] Previous research has highlighted the relationship between political polarization and, for example, i) public debt (Persson and Svensson, 1989; Alesina and Tabellini, 1990), ii) inefficient tax structure (Cukierman et al., 1992), iii) economic policy uncertainty (Azzimonti and Talbert, 2014), iv) decline in investment (Azzimonti, 2017). Similarly, several politicians have pointed out the risk of partisan polarization, especially in the United States. For example, Jerry Brown, the current Governor of California, claimed that *"growing polarization will lead to an ungovernable America"* (The New Yorker (March 26, 2018)). Similarly, Mitch Daniels, former Governor of Indiana and former director of the Office of Management and Budget under George W. Bush, argued that *"the new* (political) *tribalism is right up there with the national debt as the biggest threat to our nation"* (The Atlantic (May 2018)).

[3] Previous research provided substantial evidence that their own ideology (Bernstein and Anthony, 1974; Jackson and Kingdon, 1992), party influence (Brady and Althoff, 1974; Snyder and Groseclose, 2000) and constituents' preferences (Gerber and Lewis, 2004) relate to MPs' voting behavior.