Gendered economic policy making: the case of public expenditures on family allowances

Oznur Ozdamar

Abstract

Parliament is the place where politicians make laws to set the policy direction of countries. Non-involvement of different voices such as gender, race and ethnicity in policy decisions may create an inequality in policy-making. Regarding gender, previous literature suggests that women and men may have different policy prefer- ences and women give more priority to policies related to their traditional roles as care givers to children in the family. Public spending on family allowances is one of the economic policies that plays an important role in helping families for childcare. This paper contributes to the literature by analyzing the relationship between female political representation and public spending on family allowances within a perspective of critical-mass framework.

Authors
Oznur Ozdamar, ✉ Bologna University, Italy, oznurozdamar@gmail.com

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1   Introduction

The participation of citizens in public policy-making process comes in two forms: a) *Direct democracy*: Direct participation of citizens in government affairs b) *Indirect democracy*: Indirect participation through representatives who are elected in elections. In line with the global trend to democratization, it has highly emphasized that the direct or the indirect political participation must cover diverse groups irrespective of race, class and gender (Guinier, 1994; Lijphart, 2012). The failure of involving different groups in policy-making may prove the existence of an inequality in political decisions related to public policy-making. Among these categories, in recent decades, the question of female political participation has emerged as a global issue in all over the world.

Over the last ten years, therefore, scholars have engaged in theoretical and empirical discussions on female participation in politics and ask whether there is a link between the number of female politicians and allocation of public resources to women's policy preferences (Phillips, 1995; Young, 2002). Contrary to unitary models, non-unitary models in family economics[1] suppose that differences in preferences of men and women influence the choices of families and women often have stronger preferences on childcare and child raising issues. The empirical studies also often emphasize on the preference differences between sexes. Their common argument is that women are more likely than man invest in children and favour redistribution and they give priority to public policies related to their traditional roles as care givers in the family and society (Besley and Case, 2000; Case and Deaton, 1998; Alesina and La Ferrara, 2005; Thomas, 1990; Duflo, 2003; Edlund and Pande, 2002; Chattopadhyay and Duflo, 2004). Such sex differences are now leading to promotion of gender equality as a potent means of human development[2] (Duflo, 2012; UN, 2013). The gender differences in preferences within the society and the family may also be brought into political institutions, influencing the voting behaviour of politicians, therefore, the allocation of resources across spending categories.

To investigate the role of female politicians in policy making, scholars have empirically analyzed the relationship between the fraction of female politicians in politics and various public spending categories. Considering the existing studies in the empirical literature, findings for the effect of the gender specific decisions on the governance of public spending is mixed so far. On one hand, it has been argued that female politicians contribute to an increase in public spending that concerns women's preferences. On the other hand, some studies find no evidence that such policies are significantly affected

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[1] For more detailed information, see; Manser and Brown (1980); McElroy and Horney (1981); Lundberg and Pollak (1993).

[2] For instance, conditional cash transfers (CCT), which have recently been launched in many countries, target regular enrollment of the children into schools and getting regular health controls in the health centers (e.g receiving vaccinations). Considering the fact that women have higher tendency to spend for children in families, CCT qualify only mothers.

by the gender of politicians. Theoretical literature also has diverging arguments on the importance of the identity of the politician in shaping the allocation of resources across spending categories. In contrast to Downs (1957)'s Median Voter Theorem, Citizen Candidate Models (Osborne and Slivinski, 1996; Besley and Coate, 1997) support the fact that the identity and preferences of a politician matters for the implementation of a policy.

This paper empirically tests the validity of these two alternative theories and contributes to the strand of literature by studying the relationship between female political participation and public spending on family allowances across OECD countries. Public spending on family allowances is one of the family-specific policies that plays an important role in helping families for the child raising which the literature suggests is one of the woman's primary concerns.

The preliminary result of this paper is the lack of a relationship between the female political participation and public spending on family allowances. That result can be interpreted in three ways.

- *Median Voter Theorem may apply rather than Citizen Candidate Models.*

According to Median Voter Theorem, if candidates are office-seeking, they commit to implement only specific policies which reflect the preferences of the median voters (Downs, 1957), namely preferences and identities of the politicians do not matter in public policy making.

Most of the social spending goes to the old-age benefits and pensions over the forty years across OECD countries. The rapid growth in these spending categories is mainly due to the structural factors such as population ageing . Although the recent economic crisis (2007/08) has made an increase on family-specific spending with an idea to support future generations, social spending on the elderly amounted to 11% of GDP which is exactly half of the overall social welfare spending (22% of GDP) in 2009. 7% of the total is the share of public health expenditures and the remaining 4% of total social spending is shared by unemployment, housing, spending on active labor market programs and spending on families (OECD, 2013, 2012). The disparity in the resource allocation within social welfare areas might be a rational response by vote-seeking politicians due the population of many OECD countries is getting older and those are with the greatest propensity to vote.[3]

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[3] Moreover, electoral participation is falling fastest among the young across the OECD countries, which gives a greater influence to older voters on political decisions. For instance, in 2010 British general election, just 44% of young people aged at 18–24 voted compared to 76% of those aged over 65. In general, older people are much more likely to vote than younger people across OECD countries (Diamond and Lodge, 2013). Among the OECD-34 countries, Italy, Belgium and Australia are the only countries with a small tendency for the young people to vote more than the old people. The higher participation of elderly people in national elections, as well as the growing share of the elderly population may also influence the political process, as introducing budget cuts in social welfare spending that unequally

- *Preferences and the gender identity of politicians might still matter for the policy determination but the preferences of the women who involved in political activities might be close to those of their male colleagues.*

- *Gender identity of the politician might matter but the ineffectiveness of the female political participation on policy-decision making and the insufficient allocation towards family allowances may depend on the under-representation of women in political institutions.*

Namely, the role of female politicians may start to be relevant in terms of bargaining power over policy making when the percentage share of the female politicians reach a given critical mass threshold.

Therefore, I have further aimed to analyze whether this lack of a relationship may turn to be a significant relationship after the number of female politicians reach a critical mass threshold in terms of bargaining power in policy making. Accordingly, the secondary result of the paper shows that a simple positive relationship between the fraction of female parliamentarians and the public spending on family allowances exists only when a critical mass threshold is passed. However,even though they are over a certain critical mass threshold, female parliamentarians under majority governments would reflect the preferences of median voters rather than the preferences of their own interest groups, in contrast to female parliamentarians in coalition governments.

The paper is organized as follows: Section 2 discusses the theoretical background and presents recent empirical studies on the relationship between female political participation and public policies. Section 3 presents the data, Section 4 specifies the empirical model and presents results. Finally, Section 5 investigates the robustness of the relevant results and Section 6 concludes.

2   Theoretical background and existing studies

This paper tests the validity of two theories (Citizen Candidate Models versus Median Voter Theorem). Citizen Candidate Models of Political Economy claims that the identity or preferences of a politician matters for the policy determination (Besley and Coate, 1997; Osborne and Slivinski, 1996). If politicians can not commit on moderate policies before being elected, the identity and the individual preferences of the politician matters for the policy determination rather than the preferences of the median voter. These models assume that existing political institutions cannot enforce full policy commitment and an increase in political participation afforded to a disadvantaged group will enhance its influence on a specific policy. Namely, the political participation of disadvantaged

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benefit the old. In 2011, the average percentage point difference in voting rates between those aged over 55 years old and those aged between 16–35 years old was 12.1% in the OECD (OECD, 2011).

groups such as women, poor or ethnic minorities can translate into public policy outcomes which reflect the preferences of such groups. For instance Pande (2003) has pointed out that policies chosen by minority politicians reflect the policy preferences of those minorities. Her empirical results show that the increasing proportions of the minority participation increase the level of transfers going to this group. Similarly, the political participation of women may translate into a public policy which reflects women's preferences.

Existing single-country studies on the relationship between female political participation and policies that concern women's interests have heterogeneous results. Thomas (1991), using data gathered from a survey(1981) on members of the lower houses of the state legislatures of the twelve US states, reveals that states with the highest percentages of female representatives introduce more priority bills dealing with issues of women and children. Correspondingly, employing data on the bill introduction in Argentine Chamber of Deputies and the U.S House of Representatives, Jones (1997) has found that the gender of legislators matter in investing on the areas concern women rights, families and children. Moreover, Wängnerud (2009), using parliamentary surveys carried out in the Swedish Parliament, has emphasized on the necessity of female participation to take into account women's interests in policy-making. Her findings show that female members of the parliament address issues of social welfare policies such as family more than their male colleagues. A more recent work on Swedish municipalities by Svaleryd (2009) has found a positive impact of the female political participation on public spending towards education and childcare. Similarly Lovenduski and Norris (2003), using a survey from 2001 British Representation Study of 1,000 national politicians, have emphasized on the sex differences of legislators in policy making related to women's issues. One of the other applications to this line of models has been done by Chattopadhyay and Duflo (2004) who have carried on a survey for all investments in local public goods in sample villages of two districts in India. They have found that, female members of reserved village councils make more investment in drinking water than male members in where women complain more often then men about drinking water. Rehavi (2007), similarly with Dodson and Carroll (1991) has found a dramatic movement of women into US State Legislators over the past quarter century for a robustly significant 15% share of the rise in state health spending. In contrast to these single-country findings, a recent working paper by Ashworth et al. (2012) on Flemish Municipalities has found a contradictory result claiming that higher female participation to the local parliaments is not associated with higher spending levels. Furthermore, applying an empirical study on Italian municipalities, Rigon and Tanzi (2011) has found no evidence on a significant relationship between female politicians and social expenditures until the number of female politicians reach a critical mass threshold. According to them, this result indicates that even though Italy is one of the most developed countries, there are still very few numbers of female politicians in the parliament or municipal councils.

Although existing single-country studies have ambigious results, empirical macro level studies have so far agreed on the positive effectiveness of the female politicians on various policy outcomes such as social welfare spending, health spending, spending on maternity and parental benefits and education expenditures. Bolzendahl and Brooks (2007) investigates the influence of female parliamentarians on social welfare spending in national legislatures within 12 capitalist democracies during the period from 1980 to 1999. They have found a strong support for the hypothesis that female political partici-pation increases social welfare spending. Analyzing the impact of female representation in the legislative power on different policy outcomes including health, education, social welfare spending, Chen (2010) finds a positive effect of the female legislators on the government expenditures of social welfare. Bonoli and Reber (2010) find a strong impact of women's presence in parliament on total public family expenditures using fixed effects model. Kittilson (2008), with systematic analyses of 19 OECD countries between 1970 and 2000, has showed that women's parliamentary presence significantly influences the maternal and parental leave policies. Using a dataset of 80 countries in the year 2000, Mavisakalyan (2014) has quantified the implications of women's cabinet representation for public health policy outcomes. Her main finding is that a higher share of women in cabinet is associated with higher level of public health spending.

To sum up, this overview reveals several gaps in the prior cross-country research in OECD setting. First of all, this paper contributes to this strand of cross-country literature by studying public spending on famliy allowances as the main field of interest. Up to now, there has been no comparative study which examines the relationship between female political participation and public spending on family allowances. It also extends the time period of previous studies to 2008 and enlarges the geographical coverage to 27 OECD countries. Similar with Chen (2010), enlarging the geographical coverage helps to test the research question with different subsamples to deal with the cross-country heterogeneity bias. There are some traditional OECD countries which are for long, at the top of the rank order of countries according to the fraction of female parliamentarians (e.g. Norway, Finland, the Netherlands). Their high level women's political participation may translate into more policies considering women's preferences relative to countries that have recently joined the OECD (e.g. Korea, Israel, the Slovak Republic). That raises doubt about whether traditional OECD countries are driving the positive relationship between women's political participation and public spending on family allowances. I therefore examine the relationship between female political participation and public spending on family allowances both excluding and including these new OECD countries with different subsamples.

Moreover, the negligence of omitted variable bias is a factor which makes prior cross-country studies questionable. Some of them have neglected of using the country fixed effects, the time fixed effects, the lagged dependent variables for the historical perspective of phenomenon. In the contrary, this paper counts for both country and

the time fixed effects and the lagged dependent variable as well. Furthermore, prior cross-country panel data applications have used panel data with small numbers of time span. The usual fixed effect (FE) estimator is inconsistent when the time span is small (Nickell, 1981). In addition to previous cross-country literature, I apply generalized method of moments (GMM) estimator of Arellano and Bond (1991) to solve this issue. Likewise, contemporaneous and autocorrelation across the countries are the important problems that some previous studies have ignored as well. I apply panel corrected standard errors (PCSE) following Beck and Katz (1995, 1996) to control for contemporaneous correlation across countries. I also focus on the autoregressive processes of order one (AR(1)) which indicates the presence of autocorrelation and allowing Prais-Winsten regression for the correction of autocorrelation. Moreover, this study contibutes to this strand of literature by studying the relationship between women's parliamentary participation and public spending on family allowances both in absolute terms (as a percentage of GDP) and in relative terms (as a percentage of total government spending). Lastly, considering the relevant literature, this study is the first attempt which analyze the role of critical mass issue on the relationship between female political participation and family allowances. Related empirical studies on the critical mass concept and public spending are mainly single-country works[4] and this paper will be the first attempt to analyze the threshold effect in cross-country settings where the main field of interest is the public spending on family allowances. Several robustness checks for the main results are applied as well.

3   Data description

Table 1 provides descriptive statistics for the key variables of interest. Data on the dependent variable, which is family allowances, comes from OECD (2013), "Social Expenditure Statistics". The share of female seats in lower chambers is mainly from the IPU (1995), "Women in Parliaments: (1945–1995)" and the series after 1995 is collected from the website of IPU (Inter-Parliamentary Union). Furthermore, I follow the related literature for selecting control variables such as the real GDP per capita, unemployment rate, population rate of the citizens above 65 years old, total old age benefits and below 15 years old to take into account general economic and labor market situation and demographic development. I have also added the female labor force participation rate and the female educational attainment for 15–44 year old women to take into account general social development as well. It is expected that both the family allowances and political opportunities available to women is affected by the overall

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[4]   The most influential work on the critical mass is Thomas (1994), who focuses on the effects of different proportions of women on public policy in 12 state legislatures in the United States.

Table 1: Summary Statistics

SAMPLES	(1)	(2)	(3)
PANEL A: Base Sample			
	Mean	Std. Dev.	N
Public spending on family allowances as a percentage of GDP	0.866	0.553	551
The fraction of female parliamentarians	17.392	11.322	551
(Lag) Public spending on family allowances as a percentage of GDP	0.867	0.552	550
Population rate of the citizens below 15 years old	0.193	0.03	551
Population rate of the citizens above 65 years old	0.141	0.023	551
Log(GDP per capita)	10.185	0.308	551
Female labor force participation rate	60.035	11.492	551
Female educational attainment (aged between 15-44)	11.022	1.705	551
Public and mandatory private spending on old-age benefits	6.774	2.417	551
Unemployment rate	7.433	4.052	551
Electoral fractionalization of the party-system (Rae-Index)	73.794	8.858	551
Legislative fractionalization of the party-system (Rae-Index)	67.642	11.581	551
PANEL B: Base Sample with Neo-OECD Countries			
(Regressand:Public spending on family allowances (as a % of GDP))			
	Mean	Std. Dev.	N
Public spending on family allowances (%GDP)	0.872	0.556	378
The fraction of female parliamentarians	21.916	10.734	378
(Lag) Public spending on family allowances (%GDP)	0.874	0.555	377
Population rate of the citizens below 15 years old	0.468	1.221	378
Population rate of the citizens above 65 years old	0.145	0.027	378
Log(GDP per capita)	10.25	0.365	378
Female labor force participation rate	63.324	8.412	378
Female educational attainment (aged between 15-44)	11.968	1.211	378
Public and mandatory private spending old-age benefits	7.485	2.4	378
Unemployment rate	7.267	3.822	378
Electoral fractionalization of the party-system (Rae-Index)	75.852	7.893	350
Legislative fractionalization of the party-system (Rae-Index)	70.11	10.102	350
PANEL C: Base Sample with Neo-OECD Countries			
(Regressand:Public spending on family allowances (as a % of Total Government Spending))			
	Mean	Std. Dev.	N
Public Spending on Family Allowances (% Total Gov.Spending)	2.033	1.335	364
The Fraction of Female Parliamentarians	22.499	10.503	364
(Lag) Public Spending on Family Allowances (% Total Gov.Spending)	2.038	1.334	363
Population rate of the citizens below 15 years old	0.481	1.243	364
Population rate of the citizens above 65 years old	0.143	0.026	364
Log(GDP per capita)	10.246	0.372	364
Female Labor Force Participation Rate	63.448	8.545	364
Female Educational Attainment (aged between 15-44)	11.931	1.217	364
Public and Mandatory Private Spending Old-Age Benefits	7.476	2.43	364
Unemployment Rate	7.381	3.847	364
Electoral Fractionalization of the party-system (Rae-Index)	75.967	7.98	336
Legislative Fractionalization of the party-system (Rae-Index)	70.376	10.152	336

Column (1) of the each sample show the mean values of observations with standard deviations represented in Column (2). "N" in column (3) stands for the number of observations used in samples. The first sample in Panel A, is a balanced panel data at one-year intervals for 19 countries between 1980 and 2008: Australia, Belgium, Canada, Denmark, Finland, France, Greece, Ireland, Italy, Japan, Luxembourg, the Netherlands, New Zealand, Portugal, Spain, Sweden, Switzerland, the United Kingdom and the United States. The second sample in Panel B adds eight more countries (Australia, Austria, Belgium, Canada, the Czech Republic, Denmark, Finland, France, Germany, Greece, Ireland, Israel, Italy, Japan, Korea, Luxembourg, the Netherlands, New Zealand, Norway, Poland, Portugal, Slovak Republic, Spain, Sweden, Switzerland, the United Kingdom and the United States) which have recently joined to OECD and could not be included to first sample due to the data incompleteness for previous years from 1995. The third sample covers same units (except Japan due to the data unavailability) and the time span (1995-2008). In contrast to first two samples, the third sample takes into account public spending on family allowances as a percentage of total government spending (in relative terms) rather than public spending on family allowances as a percentage of GDP (in absolute terms) and excludes Japan due to the unavailable data on family allowances as a percentage of total government spending for this country.

level of social, economic and demographic development. Demographic factors, such as the proportion of the population under age 15 or above age 65 influence the allocation of government budget to family allowances. In other words, the age distribution of a country's population would matter for the shape of public policy allocation among old-age benefits, child benefits, family allowances and other benefits. Similarly labor force participation can shape the unemployment benefits and change the allocation through family allowances. Moreover, more women in politics may reflect higher female participation rate in labor market and increasing attainment rate of women in education as well. Considering these facts, relevant variables are controlled. The data on real GDP per capita at constant prices in 2005 USD are collected from, "Penn World Table 7.1" (Heston et al., 2012).[5] The data on female educational attainment

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[5] Definition: PPP Converted GDP Per Capita (Chain Series), at 2005 constant prices.

(for 15–44 years old women) comes from IHME (2010),"Educational Attainment and Child Mortality Estimates by Country (1970–2009)".[6] Furthermore, the data on female labor force participation rate is obtained from ILO (2012), "Online Key Indicators of the Labour Market Database". In addition, the data on the unemployment rate as a percentage of civilian labour force comes from OECD (2010),"OECD Employment and Labour Market Statistics". The data on total old-age benefits comes from OECD (2013), "Social Expenditure Statistics". The data on the population rates is from UN (2012), "Department of Economic and Social Affairs (Population Division, Population Estimates and Projections Section)". Finally, to check the robustness of main results, the additional covariates come from "Comparative Political Data Set I (1960–2010)" (Armingeon et al., 2012). All variables are normalized consistently between 0 and 100.

Overall analysis are based on three different samples which consist of balanced panel data. The first sample, which is shown at Panel A, is called as *base sample* that covers 19 countries[7] from 1980 to 2008.[8] It is a full sample and includes countries which has the complete data on family allowances (as a percentage of GDP) from the initial year of OECD Social Expenditure Database (1980). The second sample at Panel B covers 27 countries[9] and also includes countries which are joined to the OECD recently. There are some traditional OECD countries which are for long, at the top of the list of an established rank order of countries according to the level of female parliamentary representation, and their high level representation may translate into larger amount of spending compare to countries having joined the OECD recently. Therefore, the second sample also includes countries such as Korea, Slovakia, Poland and the Czech Republic where the number of female politicians in parliaments is arguably lower compared to others. The second sample at Panel B also consists of balanced panel data but is restricted in terms of the time span, from 1995 to 2008, due to the incomplete data for those countries before 1995. In contrast to first two samples, the third sample at Panel C uses public spending on family allowances as a percentage of total government spending to analyze the relationship in relative terms (as a percentage of total government spending) rather than absolute terms (as a percentage of GDP).

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[6] Female educational attainment is represented with mean years of education of women aged between 15–44.

[7] Australia, Belgium, Canada, Denmark, Finland, France, Greece, Ireland, Italy, Japan, Luxembourg, the Netherlands, New Zealand, Portugal, Spain, Sweden, Switzerland, the United Kingdom and the United States.

[8] Year 2009 is excluded due to the missing observations on family allowances for Switzerland in this year.

[9] Australia, Austria, Belgium, Canada, the Czech Republic, Denmark, Finland, France, Germany, Greece, Ireland, Israel, Italy, Japan, Korea, Luxembourg, the Netherlands, New Zealand, Norway, Poland, Portugal, the Slovak Republic, Spain, Sweden, Switzerland, the United Kingdom and the United States.

The third sample is also a full sample and covers the same period and almost the same countries of the second sample.[10]

For all samples there is a substantial variation in public spending on family allowances: for the first sample shown in Panel A, the mean value of public spending on family allowances (% of GDP) is 0.886%, the standard deviation is 0.553%. For the larger second sample, mean value of public spending on family allowances (% of GDP) is 0.872% , and the standard deviation is 0.556%. For the third sample, the mean value of public spending on family allowances as a percentage of total government spending is %0.886, and the standard deviation is 0.553%. The main independent variable is the fraction of female parliamentarians in lower chambers.[11] The mean score of the fraction of female parliamentarians is 17.392%, with Sweden (47.3%) being the highest and Korea (2%) is the lowest.

4 Empirical strategy and results

4.1 Relationship between female parliamentary representation and public spending on family allowances

Before empirically addressing the role of critical mass in public spending decisions, the relationship between the fraction of female parliamentarians and public spending on family allowances is initially analyzed to see whether there exists a relationship between them or not. Findings support that female parliamentary representation is irrelevant on family allowances. The possibility of relevance in affecting the public spending on family allowances after reaching a certain critical mass threshold is checked later.

The panel data model has the following framework to analyze the relationship between female parliamentary participation and public spending on family allowances;

$$y_{it} = \alpha w_{it} + \mathbf{x}_{it}\beta + \gamma_i + \mu_t + \upsilon_{it} \tag{1}$$

where y_{it} denotes the public spending on family allowances as a percentage of GDP of country i in period t for the first two samples. For the third sample, it represents public spending on family allowances as a percentage of total government spending of country i in period t. The main independent variable, w_{it}, represents the fraction of female parliamentarians (the percentage of female seats) in lower chambers across the OECD. All other potential control variables are included in $\mathbf{x}_{it}$. Moreover, γ_i denote a full set of country dummies and μ_t denotes a full set of year dummies. υ_{it} is an error term, capturing all other omitted factors, with $E(\upsilon_{it}) = 0$ for all i and t. Model is initially

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[10] It excludes only Japan due to the absence of relevant data on family allowances as a percentage of total government spending.

[11] I employ the data of female parliamentarians in the lower chamber because the election results do not appear in the upper chamber for some countries with a bicameral system, such as in Canada.

estimated using pooled-OLS technique which excludes country dummies, γ_i. However, the unobserved historical, cultural and institutional factors which are unobservable, country-specific and time invariant, can influence both women's participation in politics and family allowances. The fixed effect estimator can remove this source of bias. One of the examples to these factors can be "social capital for political activisim" that can influence both female representation in politics and allowances to families. For instance the practice of actions such as political movements, demonstrations and protests to achieve gender equality in politics can influence the position of women in the parliaments as these actions were successful for women suffrage in the past. Similarly, mass protests, political demonstrations can be effective on institutions, constituents to increase the budgetary allocations to social welfare policies (Tenorio, 2014) such as family allowances. Therefore, the fixed effect estimation method is used to control for the country specific time invariant characteristics. Moreover, country-specific linear time trends are included to capture the effects of omitted factors that vary over time within countries. The country-specific linear time trend helps capture the impact of slow-moving changes (including some unobserved policy changes) occuring in a specific country throughout the period of analysis. To further take into account past occurrences or the historical perspective of phenomenon, the lagged dependent variable is also added on the right hand side of the regression equation (1) which keeps the results unchanged. However, due to the possibility that lagged dependent variable may cause to an autocorrelation problem, the relevant findings with lagged dependent variable are therefore excluded from the tables that show the results.

Table 2 shows the estimation results on the relationship between percentage share of female parliamentarians and public spending on family allowances based on three different samples. The estimation frameworks in Panel A and Panel D use the *base sample* which is a panel data at one-year intervals for 19 countries between 1980 and 2008. Panel B and Panel E show some estimation results based on the second sample where the main regressand is public family allowances (as a percentage of GDP). Panel C and Panel F use the third sample where the main regressand is public family allowances as a percentage of total public spending. Using these three samples respectively, Panel A, Panel B and Panel C represent results on the relationship between family allowances and the fraction of female parliamentarians without adding any control variables. Panel D, Panel E and Panel F add control variables. Considering the econometric specifications without control variables, the coefficients for the fraction of female parliamentarians are significant in pooled-OLS,[12] FE and GMM estimations. However, using the second and the third samples, the coefficient of the fraction of female parliamentarians is not significant anymore with the FE and GMM

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[12] Due to the biased estimates of Pooled-OLS, relevant findings found using this method is not reported on the tables.

Table 2: The Percentage Share of Female Parliamentarians and Public Spending on Family Allowances across OECD Countries

	Panel-A		Panel-B		Panel-C	
	FE (1)	GMM (2)	FE (1)	GMM (2)	FE (1)	GMM (2)
P. of FP	0.0127* (0.0070)	0.0062** (0.0031)	0.0127 (0.0093)	0.0155 (0.0099)	0.0351 (0.0251)	0.0130 (0.0207)
Lag(Family Allowances)		0.7110*** (0.0534)		0.4023*** (0.0462)		0.4886*** (0.0704)
R-Square	0.7666		0.6183		0.5710	
Number of Cases	551	494	378	297	364	286

	Panel-D		Panel-E		Panel-F	
	FE (1)	GMM (2)	FE (1)	GMM (2)	FE (1)	GMM (2)
P. of FP	0.0095 (0.0074)	0.0056* (0.0031)	0.0113 (0.0090)	0.0147 (0.0094)	0.0339 (0.0242)	0.0180 (0.0188)
Population rate (above 65)	-0.0557 (0.0332)	-0.0316 (0.0198)	-0.0369 (0.0514)	-0.0464 (0.0466)	-0.0987 (0.1293)	-0.1520* (0.0841)
Population rate (under 15)	0.0040 (0.0299)	-0.0069 (0.0131)	0.0000 (0.0059)	-0.0023 (0.0118)	0.0053 (0.0143)	0.0180 (0.0207)
Total Old-Age Benefits(%GDP)	0.0328 (0.0283)	0.0349** (0.0144)	0.0126 (0.0172)	0.0154 (0.0176)	0.0403 (0.0323)	0.0690** (0.0328)
Unemployment Rate	0.0043 (0.0124)	-0.0032 (0.0069)	0.0028 (0.0106)	0.0180* (0.0093)	0.0150 (0.0208)	0.0279*** (0.0106)
Log(GDP per capita)	-0.6713 (0.4370)	-0.1025 (0.2009)	0.1396 (0.3627)	1.1538*** (0.4376)	2.6899*** (0.8758)	4.4270*** (0.8784)
FLFP	0.0100 (0.0107)	0.0029 (0.0045)	-0.0259* (0.0132)	-0.0217* (0.0131)	-0.0664* (0.0343)	-0.0462** (0.0193)
Female Education	0.2436 (0.2701)	0.1206 (0.1486)	-0.1413 (0.1359)	-0.0922 (0.1637)	-0.4736 (0.4086)	0.1039 (0.4403)
Lag(Family Allowances)		0.6773*** (0.0499)		0.3827*** (0.0530)		0.4434*** (0.0655)
R-Square	0.7899		0.6344		0.5985	
Number of Cases	551	494	378	297	364	286

The fixed effects estimation results are represented in columns 1. Columns 2 use the GMM of Manuel Arellano and Stephen R. Bond (1991) with robust standard errors which instrument for the female parliamentary representation using a double lag. Estimation frameworks in Panel A,B and C do not control any variable. Panel D,E and F add additional covariates such as real GDP per capita, unemployment rate, population rate of the citizens above 65 years old and below 15 years old, female labor force participation rate and female educational attainment for 15-44 year old women to take into account general economic, labor market situation, demographic and social development. All estimations include year dummies country dummies and country specific time trends. The main independent variable (female parliamentary representation) is the percentage share of female seats in lower chambers across OECD parliaments. Panel A and D use a yearly balanced panel dataset from 1980 to 2008 where the public spending on family allowances as a percentage of GDP is the main regressand. Panel B and E use the same annual data from 1995 to 2008 including other countries for which necessary data is not available for the previous years. Panel C and F represent results using the third sample which consider public spending on family allowances as a percentage of total goverment spending as the main regressand. One, two and three * indicate significance at the 10, 5 and 1% level respectively. All standard errors are robust for the arbitrary heteroscedasticity. Total Old-Age Benefits (%GDP) refers to public and mandatory private spending on old-age benefits as a percentage of GDP. FLFP stands for Female Labor Force Participation Rate. P. of FP stands for percentage share of female parliamentarians.

estimations in Panel B and Panel C. Namely, the relevant results are not robust to esti-
mations when the same techniques are used in the second and the third samples. Similar
finding appears once control variables are added. GMM estimation in Panel D gives a
significant coefficient estimate for the fraction of female parliamentarians. However
using neither FE nor GMM, the coefficient of the fraction of female parliamentarians
is not significant using second and the third samples (Panel E and Panel F). It is an
interesting finding that the positive association between female political participation
and public family allowances is found using only the first sample that covers traditional
OECD countries. In contrast to neo-OECD countries, traditional OECD countries have
for long had more numbers of female parliamentarians and results show that their high
level participation to politics may have been translated into larger amount of family
allowances compare to neo-OECD countries.

This finding raises a doubt on the fact that the contribution of female parliamentari-
ans to an increase in family allowances may occur only when their percentage share in
parliaments exceed a remarkable value or a critical mass threshold. Therefore, the paper
empirically discusses on the critical mass threshold argument.In fact, it is possible that
the roles of women start to be relevant in terms of bargaining power only when the
percentage share of female parliamentarians reaches a given threshold.

4.2 Relationship between female critical mass in parliaments and public spend-ing on family allowances

The research on the influence of the critical mass of women relies primarily on Kanter
(1977)'s foundational study. She has hypothesized that women would not be able show
their influence in a male-dominated corporate enviornment, where men (dominants)
constitute more than 85 percent and women (tokens) constitute less than 15 percent of
total, since they are subject to performance pressures, role entrapment and boundary
heightining. Although her work is the earliest source often cited on the topic and did
not deduce a critical mass threshold for a political enviornment, some political scientists
have attempted to determine a critical mass threshold at which elected female politicians
can start to have influence on public spending decisions. However, the determination
of a critical mass threshold is still problematic and undertheorized in the literature.
Related literature can not answer whether there is a single threshold which would be
universally applied. In the literature, threshold has been variously identified at different
levels such as 15, 20, 25 or 30 percent (Beckwith and Cowell-Meyers, 2007; Studlar
and McAllister, 2002).

Drawing on previous studies, I identify four different thresholds equal to 15, 20,
25 and 30 per cent of women over total parliamentary seats. Afterwards I test them
to examine whether there exists a unique threshold at which the number of women
translates into more public spending on family allowances. Replacing the main indepen-
dent variable with th_{it} in Equation (1), the role of female critical mass in parliamentary

participation on public family allowances is analyzed using Equation (2). In other words, each threshold is considered as the main independent variable that is a dummy taking value equal to 1 when the share of female seats exceeds the threshold itself. The rest of the model specification such as the inclusion of control variables is identical with the Equation (1).

$$y_{it} = \alpha th_{it} + \mathbf{x}_{it}\beta + \gamma_i + \mu_t + \upsilon_{it} \tag{2}$$

Overall findings show that a positive relationship between the fraction of female parliamentarians and public spending on family allowances exists only when the highest threshold is passed (30%). However, the use of an arbitrarily chosen critical mass thresholds (15%,20%,25% and 30%) does not mean the analysis is based on a satisfactory formal test. Therefore, I additionally consider performing a structural break analysis with an unknown threshold level to formally test for the critical mass argument. Results of the structural break analysis also supports the evidence on the significance of over 30 per cent participation and more detailed explanation for this analysis can be found in appendix section.

Turning into results related to thresholds, pooled-OLS estimations on the relationship between the 30% critical mass threshold and public spending on family allowances give mixed results based on the three different samples used. However, once country fixed effects are introduced to capture any time-invariant country characteristics, the positive relationship between the female political representation over 30% critical mass threshold and the public spending on family allowances holds irrespective of any sample used. The estimates of α are 0.2324, 0.16 and 0.3236 with the standard errors 0.066, 0.0255, 0.0831 for the first, second and third samples respectively. They are significant at the one percent level where all the standard errors are robust to arbitrary heteroscedasticity. Moreover, the result on the positive significant relationship with the fixed effect estimation technique is robust to the inclusion of other additional covariates. As seen in columns (4) of Table 3, the inclusion of control variables do not change the general finding on the the positive relationship between over 30 per cent female political participation and the public spending on family allowances. As an extension to these control variables, columns (5) include two more variables which are the female labor force participation rate and the female educational attainment. The fixed effect estimates of α remain significantly positive in this case as well. Findings on the positive significance is also robust to any sample and the controls that are used under GMM estimation framework. Irrespective of using different samples at Panel A, B or C, results on the positive relationship are strongly valid under PCSE method as well. Additionally, all regression estimation techniques in Table 3 use country specific time trends.

As expected, lagged values of the family allowances are positively and strongly related to the public spending on family allowances in all of the specifications. Turning to other control variables, estimations based on the first and the third sample show

Table 3: Female Political Representation over the 30% Female Critical Mass Threshold and Public Spending on Family Allowances

	FE (1)	GMM (2)	PCSE (3)	FE (4)	FE (5)	GMM (6)	GMM (7)	PCSE (8)
PANEL A								
Threshold-30 thresh30	0.2324***	0.0938**	0.1557***	0.2342***	0.2202***	0.0914***	0.0878***	0.1466***
	(0.0666)	(0.0369)	(0.0344)	(0.0639)	(0.0649)	(0.0325)	(0.0326)	(0.0326)
Lag(Family Allowances)		0.6951***	0.3042***			0.6597***	0.6570***	0.2735***
		(0.0483)	(0.0416)			(0.0416)	(0.0416)	(0.0394)
Population rate (above 65)				-0.0291	-0.0336	-0.0240	-0.0231	-0.0244
				(0.0354)	(0.0324)	(0.0195)	(0.0183)	(0.0184)
Population rate (under 15)				0.0078	0.0062	-0.0056	-0.0057	0.0091
				(0.0238)	(0.0252)	(0.0114)	(0.0115)	(0.0099)
Total Old-Age Benefits (%GDP)				0.0324	0.0308	0.0351***	0.0346**	0.0285**
				(0.0256)	(0.0276)	(0.0123)	(0.0138)	(0.0128)
Unemployment Rate				0.0086	0.0077	-0.0024	-0.0030	0.0041
				(0.0123)	(0.0117)	(0.0066)	(0.0063)	(0.0040)
Log(GDP per capita)				-0.5268	-0.5689	-0.1239	-0.1321	-0.3079*
				(0.3774)	(0.4006)	(0.2028)	(0.1876)	(0.1728)
FLFP					0.0035		0.0014	0.0043
					(0.0096)		(0.0042)	(0.0046)
Female education					0.1881		0.1277	0.1345
					(0.2494)		(0.1449)	(0.1042)
R-Square	0.7778		0.9452	0.7999	0.8010			0.9471
Number of Cases	551	494	550	551	551	494	494	550
PANEL B								
Threshold-30	0.1600***	0.1660***	0.1298***	0.1594***	0.1589***	0.1401***	0.1399***	0.1223**
	(0.0255)	(0.0358)	(0.0446)	(0.0361)	(0.0310)	(0.0396)	(0.0401)	(0.0504)
Lag(Family Allowances)		0.4018***	0.1495***			0.4153***	0.3919***	0.1510***
		(0.0257)	(0.0527)			(0.0230)	(0.0309)	(0.0506)
Population rate (above 65)				0.0020	-0.0078	-0.0517	-0.0479	-0.0142
				(0.0526)	(0.0473)	(0.0394)	(0.0349)	(0.0241)
Population rate (under 15)				0.0011	0.0044	0.0081	0.0091	0.0013
				(0.0052)	(0.0059)	(0.0115)	(0.0111)	(0.0044)
Total Old-Age Benefits (%GDP)				0.0217	0.0154	0.0277	0.0221	0.0181*
				(0.0205)	(0.0190)	(0.0188)	(0.0199)	(0.0095)
Unemployment Rate				-0.0051	-0.0000	0.0103	0.0132**	0.0014
				(0.0125)	(0.0107)	(0.0067)	(0.0063)	(0.0051)
Log(GDP per capita)				-0.1656	0.0898	0.9990***	1.0698***	0.2562
				(0.2518)	(0.2744)	(0.3625)	(0.3488)	(0.3064)
FLFP					-0.0273*		-0.0163	-0.0216***
					(0.0139)		(0.0126)	(0.0062)
Female education					-0.1419		-0.0217	-0.1278
					(0.1411)		(0.1670)	(0.1790)
R-Square	0.6189		0.9688	0.6224	0.6557			0.9702
Number of Cases	378	297	377	378	378	297	297	377
PANEL C								
Threshold-30	0.3236***	0.2741**	0.2407***	0.3498***	0.3453***	0.3126*	0.3190*	0.2459**
	(0.0831)	(0.1345)	(0.0956)	(0.1220)	(0.1100)	(0.1613)	(0.1635)	(0.1100)
Lag(Family Allowances)		0.4742***	0.0985**			0.4523***	0.4321***	0.1158***
		(0.0542)	(0.0462)			(0.0440)	(0.0385)	(0.0435)
Population rate (above 65)				-0.0190	-0.0432	-0.1207	-0.1099	-0.0593
				(0.1224)	(0.1215)	(0.0816)	(0.0743)	(0.0552)
Population rate (under 15)				0.0060	0.0144	0.0409	0.0424	0.0069
				(0.0118)	(0.0142)	(0.0279)	(0.0269)	(0.0107)
Total Old-Age Benefits (%GDP)				0.0643	0.0483	0.0805***	0.0726***	0.0497***
				(0.0425)	(0.0388)	(0.0306)	(0.0321)	(0.0242)
Unemployment Rate				-0.0052	0.0079	0.0177**	0.0239**	0.0134
				(0.0256)	(0.0219)	(0.0089)	(0.0103)	(0.0142)
Log(GDP per capita)				1.8844**	2.5017***	4.2015***	4.4777***	2.7556***
				(0.7206)	(0.8376)	(0.8918)	(0.9131)	(0.8818)
FLFP					-0.0703*		-0.0405*	-0.0579***
					(0.0376)		(0.0211)	(0.0135)
Female education					-0.4974		0.1634	-0.4291
					(0.4388)		(0.4250)	(0.4168)
R-Square	0.5594		0.9611	0.5709	0.5885			0.9652
Number of Cases	364	286	363	364	364	286	286	363

The fixed effects estimation results are shown in columns (1), (4), (5). Columns (2), (6) and (7) use the GMM of Manuel Arellano and Stephen R. Bond (1991) which instrument for the 30% female parliamentary representation using a double lag. To control for contemporaneous correlation, panel-corrected standard errors are reported in columns (3) and columns (8) which include autoregressive processes of order one (AR(1)). It indicates the presence of serial correlation and allowing Prais-Winsten regression for the correction of serial correlation. Following the previous literature, columns (4) and columns (6) add additional covariates such as real GDP per capita, unemployment rate, population rate of the citizens above 65 years old and below 15 years old to take into account general economic development, labor market situation and demographic development. In addition to these covariates, columns (5), (7) and (8) add also female labor force participation rate and female educational attainment for 15–44 year old women to take into account social development. Year dummies are included in all regressions. Moreover, all estimations include country dummies and country specific time trends. The main independent variable (Threshold-30) is a dummy variable which is the proxy for gender bargaining power. It takes a value equal to 1 when the share of female seats in national parliaments across OECD exceed 30%. Panel A uses a yearly balanced panel data from 1980 to 2008 where the public spending on family allowances as a percentage of GDP is the main regressand. Panel B uses the same annual data from 1995 to 2008 including other countries for which the necessary data is not available for the previous years. Panel C uses the same sample in Panel B where the public spending on family allowances as a percentage of total govement spending is the main regressand. One, two and three * indicate significance at the 10, 5 and 1% level respectively. Total Old-Age Benefits (%GDP) refers to public and mandatory private spending on old-age benefits as a percentage of GDP. All standard errors are robust for the arbitrary heteroscedasticity. FLFP stands for Female Labor Force Participation Rate.

that public and mandatory private spending on old-age benefits is significant in the specifications of both GMM and PCSE but this result is not robust to estimations based on the second sample. The log value of GDP per capita is positively significant in all regression estimations of the third sample (Panel C in Table 3) where the main outcome of interest is public spending on family allowances as a percentage of total government spending. However, estimations based on the first and the second sample give mixed results for the significance of GDP. Female labor market participation has a negative relationship with public spending on family allowances as a percentage of total government expenditures once the second and third sample are used for the estimations. Women's earnings may be considered as an additional income which families rely on. Increasing number of women in labor market increase the income level of households which causes a decrease in family allowances allocated to households with respect to their new income level. Some coefficients of the unemployment rate also give expectedly positive signs with GMM estimations when the third sample is used for the estimations. One possible interpretation for this result could be that family allowances is a good practice in anti-poverty family policies which are designed to support unemployed parents for the costs of raising children.

Overall results support (Dahlerup, 1988)'s argument on the critical mass issue. It states that *"The idea of a critical mass is most often applied to situations when women constitute less than 30 percent, in this way explaining why the entrance of women into politics has not made more difference yet!"*. The positive cross-sectional relationship between the fraction of female parliamentarians and family allowances exists when a certain threshold (30%) is passed. Correspondingly, UN CEDAW's (The Committee on the Elimination of Discrimination against Women) General Recommendation on Article 7 of the Convention have also agreed on the fact that 30 percent is the figure for the female political participation for having a real impact on the content of policy decisions (CEDAW 1997, paragraph.16). Results in this paper are highly robust to different econometric techniques from fixed effects to GMM estimation, to estimations in various different samples and to the inclusion of different sets of covariates although paper does not claim any causal relationship between related variables due to possible endogeneity problems.[13]

Moreover, I have not found any significant effect for the other dummy variables associated to the lower thresholds such as 15%, 20%, 25% (Table 4–6). All the critical

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[13] It is known that removing remaining concerns about endogeneity of the female political participation variable would necessitate estimations with instrumental variables. A valid instrumental variable should causally influence female political participation variable and not be correlated with public spending on family allowances. I believe that such a variable does not exist as it is not used in similar studies that cover gender, public spending and human development issues due to the nature of these variables.(Potrafke and Ursprung, 2012; Fortin, 2005; Erhel and Guergoat-Larivière, 2013; Ruhm, 2000; Tanaka, 2005; Kittilson, 2008).

Table 4: Female Political Representation over the 15% Female Critical Mass Threshold and Public Spending on Family Allowances

	FE (1)	GMM (2)	PCSE (3)	FE (4)	FE (5)	GMM (6)	GMM (7)	PCSE (8)
PANEL A								
Threshold-15	0.0592	0.0128	0.0346	0.0218	0.0295	-0.0009	-0.0015	0.0209
	(0.0563)	(0.0289)	(0.0220)	(0.0624)	(0.0620)	(0.0272)	(0.0280)	(0.0235)
Lag(Family Allowances)		0.7209***	0.3294***			0.6902***	0.6843***	0.3041***
		(0.0491)	(0.0409)			(0.0474)	(0.0431)	(0.0390)
Population rate (above 65)				-0.0361	-0.0516	-0.0305*	-0.0311*	-0.0335*
				(0.0386)	(0.0316)	(0.0184)	(0.0172)	(0.0183)
Population rate (under 15)				0.0158	0.0080	-0.0041	-0.0054	0.0110
				(0.0296)	(0.0313)	(0.0116)	(0.0120)	(0.0101)
Total Old-Age Benefits(%GDP)				0.0339	0.0349	0.0356***	0.0362***	0.0310**
				(0.0262)	(0.0283)	(0.0122)	(0.0133)	(0.0127)
Unemployment rate				0.0029	0.0025	-0.0046	-0.0051	0.0010
				(0.0132)	(0.0121)	(0.0068)	(0.0064)	(0.0041)
Log(GDP per capita)				-0.6272	-0.7334	-0.1451	-0.1724	-0.3726**
				(0.4289)	(0.4419)	(0.1979)	(0.1810)	(0.1727)
FLFP					0.0122		0.0035	0.0094**
					(0.0108)		(0.0043)	(0.0047)
Female education					0.2942		0.1431	0.1885*
					(0.2627)		(0.1388)	(0.1050)
R-Square	0.7591		0.9432	0.7803	0.7854			0.9467
Number of Cases	551	494	550	551	551	494	494	550
PANEL B								
Threshold-15	0.0284	-0.0678	-0.0115	0.0263	0.0268	-0.0243	-0.0163	-0.0105
	(0.0509)	(0.1102)	(0.0213)	(0.0487)	(0.0488)	(0.0973)	(0.0998)	(0.0228)
Lag(Family Allowances)		0.4416***	0.1576***			0.4502***	0.4277***	0.1616***
		(0.0385)	(0.0531)			(0.0411)	(0.0481)	(0.0509)
Population rate (above 65)				-0.0397	-0.0489	-0.0850*	-0.0811*	-0.0414*
				(0.0559)	(0.0522)	(0.0506)	(0.0443)	(0.0224)
Population rate (under 15)				-0.0039	-0.0006	-0.0030	-0.0022	-0.0025
				(0.0054)	(0.0061)	(0.0117)	(0.0112)	(0.0041)
Total Old-Age Benefits(%GDP)				0.0204	0.0141	0.0302	0.0247	0.0186*
				(0.0207)	(0.0192)	(0.0227)	(0.0242)	(0.0099)
Unemployment Rate				-0.0030	0.0021	0.0105	0.0135***	0.0024
				(0.0126)	(0.0109)	(0.0070)	(0.0069)	(0.0052)
Log(GDP per capita)				-0.1738	0.0788	0.886***	0.9648***	0.2269
				(0.2815)	(0.3300)	(0.3689)	(0.3570)	(0.3184)
FLFP					-0.0271*		-0.0156	-0.0210***
					(0.0141)		(0.0138)	(0.0064)
Female education					-0.1636		-0.0285	-0.1525
					(0.1411)		(0.1466)	(0.1879)
R-Square	0.6013		0.9672	0.6079	0.6213			0.9693
Number of Cases	378	297	377	378	378	297	297	377
PANEL C								
Threshold-15	0.1299	-0.4065	0.0150	0.1485	0.1481	-0.2864	-0.2849	0.0360
	(0.1380)	(0.3552)	(0.0491)	(0.1332)	(0.1328)	(0.3510)	(0.3467)	(0.0512)
Lag(Family Allowances)		0.4759***	0.0983***			0.4639***	0.4498***	0.1185***
		(0.0517)	(0.0467)			(0.0429)	(0.0418)	(0.0440)
Population rate (above 65)				-0.1223	-0.1454	-0.1893*	-0.1860*	-0.1191**
				(0.1182)	(0.1208)	(0.1043)	(0.0981)	(0.0492)
Population rate (under 15)				-0.0054	0.0032	0.0157	0.0176	-0.0005
				(0.0117)	(0.0142)	(0.0249)	(0.0225)	(0.0103)
Total Old-Age Benefits(%GDP)				0.0576	0.0414	0.0867**	0.0801*	0.0477*
				(0.0404)	(0.0367)	(0.0413)	(0.0429)	(0.0250)
Unemployment Rate				0.0010	0.0141	0.0182*	0.0238***	0.0166
				(0.0256)	(0.0220)	(0.0103)	(0.0119)	(0.0141)
Log(GDP per capita)				1.9516**	2.5730**	3.7372***	4.0139***	2.7388***
				(0.8120)	(0.9687)	(0.8781)	(0.9421)	(0.8856)
FLFP					-0.0708*		-0.0364	-0.0574***
					(0.0376)		(0.0231)	(0.0137)
Female education					-0.5109		0.3085	-0.4381
					(0.4608)		(0.4427)	(0.4312)
R-Square	0.5484		0.9587	0.5613	0.5792			0.9637
Number of Cases	364	286	363	364	364	286	286	363

The fixed effects estimation results are shown in columns (1), (4), (5). Columns (2), (6) and (7) use the GMM of Manuel Arellano and Stephen R. Bond (1991) which instrument for the 15% female parliamentary representation using a double lag. To control for contemporaneous correlation, panel-corrected standard errors are reported in columns (3) and columns (8) which include autoregressive processes of order one (AR(1)). It indicates the presence of serial correlation and allowing Prais–Winsten regression for the correction of serial correlation. Following the previous literature, columns (4) and columns (6) add additional covariates such as real GDP per capita, unemployment rate, population rate of the citizens above 65 years old and below 15 years old to take into account general economic development, labor market situation and demographic development. In addition to these covariates, columns (5), (7) and (8) add also female labor force participation rate and female educational attainment for 15-44 year old women to take into account social development. Year dummies are included in all regressions. Moreover, all estimations include country dummies and country specific time trends. The main independent variable (Threshold-15) is a dummy variable which is the proxy for gender bargaining power. It takes a value equal to 1 when the share of female seats in national parliaments across OECD exceed 15%. Panel A uses a yearly balanced panel data from 1980 to 2008 where the public spending on family allowances as a percentage of GDP is the main regressand. Panel B uses the same sample in Panel B where the public spending on family allowances as a percentage of total govement spending is the main regressand. One, two and three * indicate significance at the 10, 5 and 1% level respectively. Total Old-Age Benefits (%GDP) refers to public and mandatory private spending on old-age benefits as a percentage of GDP. All standard errors are robust for the arbitrary heteroscedasticity. FLFP stands for Female Labor Force Participation Rate.

Table 5: Female Political Representation over the 20% Female Critical Mass Threshold and Public Spending on Family Allowances

PANEL A

	FE (1)	GMM (2)	PCSE (3)	FE (4)	FE (5)	GMM (6)	GMM (7)	PCSE (8)
Threshold-20	0.0080 (0.0830)	-0.0090 (0.0289)	-0.0090 (0.0261)	-0.0184 (0.0818)	-0.0089 (0.0819)	-0.0286 (0.0265)	-0.0287 (0.0262)	-0.0194 (0.0271)
Lag(Family Allowances)		0.7173*** (0.0453)	0.3342*** (0.0413)			0.6834*** (0.0419)	0.6778*** (0.0381)	0.3109*** (0.0392)
Population rate (above 65)				-0.0365 (0.0396)	-0.0508 (0.0329)	-0.0304 (0.0185)	-0.0310* (0.0171)	-0.0326* (0.0185)
Population rate (under 15)				0.0139 (0.0292)	0.0068 (0.0317)	-0.0047 (0.0107)	-0.0059 (0.0113)	0.0096 (0.0100)
Total Old-Age Benefits(%GDP)				0.0374 (0.0245)	0.0379 (0.0278)	0.0390*** (0.0111)	0.0395*** (0.0124)	0.0339*** (0.0129)
Unemployment Rate				0.0020 (0.0134)	0.0017 (0.0124)	-0.0055 (0.0065)	-0.0060 (0.0062)	0.0002 (0.0041)
Log(GDP per capita)				-0.6769 (0.4313)	-0.7736 (0.4602)	-0.1841 (0.1843)	-0.2105 (0.1719)	-0.4105** (0.1714)
FLFP					0.0113 (0.0108)		0.0036 (0.0043)	0.0088* (0.0046)
Female education					0.2966 (0.2650)		0.1422 (0.1308)	0.1872* (0.1057)
R-Square	0.7571		0.9434	0.7802	0.7850			0.9476
Number of Cases	551	494	550	551	551	494	494	550

PANEL B

	FE (1)	GMM (2)	PCSE (3)	FE (4)	FE (5)	GMM (6)	GMM (7)	PCSE (8)
Threshold-20	0.0431 (0.1048)	0.0776 (0.0815)	0.0487 (0.0332)	0.0384 (0.1080)	0.0364 (0.1057)	0.0649 (0.0812)	0.0785 (0.0811)	0.0444 (0.0325)
Lag(Family Allowances)		0.4330*** (0.0493)	0.1602*** (0.0524)			0.4445*** (0.0538)	0.4148*** (0.0608)	0.1656*** (0.0506)
Population rate (above 65)				-0.0406 (0.0564)	-0.0486 (0.0527)	-0.0876* (0.0521)	-0.0811* (0.0464)	-0.0465** (0.0223)
Population rate (under 15)				-0.0040 (0.0054)	-0.0008 (0.0060)	-0.0049 (0.0117)	-0.0045 (0.0117)	-0.0028 (0.0041)
Total Old-Age Benefits(%GDP)				0.0180 (0.0179)	0.0120 (0.0168)	0.0238 (0.0180)	0.0163 (0.0185)	0.0145 (0.0094)
Unemployment Rate				-0.0033 (0.0128)	0.0016 (0.0112)	0.0119 (0.0082)	0.0154* (0.0080)	0.0028 (0.0051)
Log(GDP per capita)				-0.2122 (0.2914)	0.0294 (0.3108)	0.9179** (0.4003)	0.9948** (0.3919)	0.2261 (0.3169)
FLFP					-0.0263* (0.0130)		-0.0181 (0.0124)	-0.0205*** (0.0064)
Female education					-0.1985 (0.1907)		-0.0643 (0.1646)	-0.1738 (0.1824)
R-Square	0.6026		0.9671	0.6088	0.6220			0.9694
Number of Cases	378	297	377	378	378	297	297	377

PANEL C

	FE (1)	GMM (2)	PCSE (3)	FE (4)	FE (5)	GMM (6)	GMM (7)	PCSE (8)
Threshold-20	0.1403 (0.2768)	0.0236 (0.1874)	0.1219 (0.0855)	0.1367 (0.2886)	0.1339 (0.2832)	0.0049 (0.2108)	0.0145 (0.2193)	0.1261 (0.0779)
Lag(Family Allowances)		0.4932*** (0.0638)	0.1004** (0.0461)			0.4762*** (0.0567)	0.4579*** (0.0597)	0.1189*** (0.0435)
Population rate (above 65)				-0.1189 (0.1171)	-0.1375 (0.1202)	-0.2163* (0.1109)	-0.2069** (0.1039)	-0.1247** (0.0502)
Population rate (under 15)				-0.0054 (0.0122)	0.0026 (0.0143)	0.0158 (0.0226)	0.0168 (0.0205)	-0.0013 (0.0106)
Total Old-Age Benefits(%GDP)				0.0512 (0.0341)	0.0358 (0.0318)	0.0819** (0.0384)	0.0738* (0.0393)	0.0386 (0.0244)
Unemployment Rate				-0.0012 (0.0259)	0.0115 (0.0226)	0.0189** (0.0085)	0.0250*** (0.0097)	0.0164 (0.0141)
Log(GDP per capita)				1.7563** (0.8474)	2.3281** (0.9804)	3.9378*** (0.8604)	4.2057*** (0.8952)	2.6533*** (0.9023)
FLFP					-0.0674* (0.0349)		-0.0387* (0.0205)	-0.0552*** (0.0137)
Female education					-0.6700 (0.5806)		0.1922 (0.4534)	-0.5259 (0.4177)
R-Square	0.5492		0.9587	0.5608	0.5785			0.9633
Number of Cases	364	286	363	364	364	286	286	363

The fixed effects estimation results are shown in columns (1), (4), (5). Columns (2), (6) and (7) use the GMM of Manuel Arellano and Stephen R. Bond (1991) which instrument for the 20% Female parliamentary representation using a double lag. To control for contemporaneous correlation, panel-corrected standard errors are reported in columns (3) and columns (8) which include autoregressive processes of order one (AR(1)). It indicates the presence of serial correlation and allowing Prais–Winsten regression for the correction of serial correlation. Following the previous literature, columns (4) and columns (6) add additional covariates such as real GDP per capita, unemployment rate, population rate of the citizens above 65 years old and below 15 years old to take into account general economic development, labor market situation and demographic development. In addition to these covariates, columns (5), (7) and (8) add also female labor force participation rate and female educational attainment for 15-44 year old women to take into account social development. Year dummies are included in all regressions. Moreover, all estimations include country dummies and country specific time trends. The main independent variable (Threshold-20) is a dummy variable which is the proxy for gender bargaining power. It takes a value equal to 1 when the share of female seats in national parliaments across OECD exceed 20%. Panel A uses a yearly balanced panel data from 1980 to 2008 where the public spending on family allowances as a percentage of GDP is the main regressand. Panel B uses the same annual data from 1995 to 2008 including other countries for which the necessary data is not available for the previous years. Panel C uses the same sample in Panel B where the public spending on family allowances as a percentage of total government spending is the main regressand. One, two and three * indicate significance at the 10, 5 and 1% level respectively. Total Old-Age Benefits (%GDP) refers to public and mandatory private spending on old-age benefits as a percentage of GDP. All standard errors are robust for the arbitrary heteroscedasticity. FLFP stands for Female Labor Force Participation Rate.

Table 6: Female Political Representation over the 25% Female Critical Mass Threshold and Public Spending on Family Allowances

	FE (1)	GMM (2)	PCSE (3)	FE (4)	FE (5)	GMM (6)	GMM (7)	PCSE (8)
PANEL A								
Threshold-25	0.0272 (0.0597)	-0.0120 (0.0402)	0.0096 (0.0310)	0.0475 (0.0702)	0.0404 (0.0605)	-0.0041 (0.0386)	-0.0068 (0.0371)	0.0192 (0.0309)
Lag(Family Allowances)		0.7237*** (0.0452)	0.3320*** (0.0413)			0.6918*** (0.0456)	0.6861*** (0.0409)	0.3046*** (0.0392)
Population rate (above 65)				-0.0355 (0.0391)	-0.0503 (0.0324)	-0.0303 (0.0188)	-0.0310* (0.0173)	-0.0327* (0.0185)
Population rate (under 15)				0.0159 (0.0274)	0.0080 (0.0297)	-0.0038 (0.0113)	-0.0051 (0.0118)	0.0107 (0.0101)
Total Old-Age Benefits (%GDP)				0.0375 (0.0265)	0.0388 (0.0290)	0.0353*** (0.0113)	0.0357*** (0.0126)	0.0333*** (0.0125)
Unemployment Rate				0.0039 (0.0132)	0.0032 (0.0122)	-0.0045 (0.0068)	-0.0051 (0.0064)	0.0012 (0.0042)
Log(GDP per capita)				-0.6100 (0.3836)	-0.7262* (0.4113)	-0.1414 (0.1950)	-0.1709 (0.1787)	-0.3766** (0.1716)
FLFP					0.0115 (0.0107)		0.0037 (0.0043)	0.0089* (0.0046)
Female education					0.2848 (0.2632)		0.1463 (0.1321)	0.1852* (0.1043)
R-Square	0.7573		0.9432	0.7808	0.7856			0.9468
Number of Cases	551	494	550	551	551	494	494	550
PANEL B								
Threshold-25	0.0295 (0.0235)	0.0179 (0.0635)	0.0260 (0.0561)	0.0389 (0.0261)	0.0256 (0.0267)	0.0431 (0.0560)	0.0368 (0.0523)	0.0270 (0.0557)
Lag(Family Allowances)		0.4427*** (0.0416)	0.1559*** (0.0523)			0.4425*** (0.0443)	0.4201*** (0.0511)	0.1598*** (0.0503)
Population rate(above 65)				-0.0379 (0.0561)	-0.0459 (0.0520)	-0.0897* (0.0488)	-0.0837* (0.0430)	-0.0432* (0.0222)
Population rate (under 15)				-0.0036 (0.0058)	-0.0004 (0.0064)	-0.0027 (0.0110)	-0.0020 (0.0108)	-0.0024 (0.0041)
Total Old-Age Benefits (%GDP)				0.0230 (0.0234)	0.0163 (0.0214)	0.0317 (0.0232)	0.0261 (0.0241)	0.0193** (0.0094)
Unemployment Rate				-0.0037 (0.0130)	0.0014 (0.0112)	0.0101 (0.0076)	0.0131* (0.0070)	0.0024 (0.0052)
Log(GDP per capita)				-0.1863 (0.2801)	0.0523 (0.3149)	0.9240* (0.3895)	0.9929*** (0.3683)	0.2414 (0.3098)
FLFP					-0.0264* (0.0139)		-0.0158 (0.0130)	-0.0206*** (0.0065)
Female education					-0.1817 (0.1481)		-0.0409 (0.1585)	-0.1529 (0.1842)
R-Square	0.6009		0.9671	0.6079	0.6209			0.9691
Number of Cases	378	297	377	378	378	297	297	377
PANEL C								
Threshold-25	0.0908 (0.0693)	-0.1834 (0.1576)	0.0617 (0.1476)	0.1286 (0.0808)	0.0964 (0.0734)	-0.0693 (0.1204)	-0.1001 (0.1499)	0.0804 (0.1456)
Lag(Family Allowances)		0.5094 (0.0608)	0.1002** (0.0462)			0.4830*** (0.0563)	0.4676*** (0.0560)	0.1176*** (0.0434)
Population rate(above 65)				-0.1086 (0.1188)	-0.1276 (0.1205)	-0.2130* (0.1127)	-0.2028* (0.1078)	-0.1164* (0.0487)
Population rate (under 15)				-0.0039 (0.0133)	0.0039 (0.0154)	0.0148 (0.0148)	0.0156 (0.0218)	-0.0002 (0.0104)
Total Old-Age Benefits (%GDP)				0.0686 (0.0506)	0.0517 (0.0458)	0.0795*** (0.0352)	0.0712* (0.0366)	0.0523** (0.0233)
Unemployment Rate				-0.0023 (0.0266)	0.0105 (0.0229)	0.0191** (0.0091)	0.0252*** (0.0105)	0.0153 (0.0143)
Log(GDP per capita)				1.8418** (0.7821)	2.4117** (0.9337)	3.8967*** (0.8703)	4.1595*** (0.9125)	2.7086*** (0.8795)
FLFP					-0.0678* (0.0370)		-0.0392* (0.0228)	-0.0556*** (0.0138)
Female education					-0.6070 (0.4769)		0.2293 (0.4033)	-0.4702 (0.4292)
R-Square	0.0263	0.0263	0.9593	0.5585	0.5758			0.9637
Number of Cases	364	364	363	364	364	286	286	363

The fixed effects estimation results are shown in columns (1), (4), (5). Columns (2), (6) and (7) use the GMM of Manuel Arellano and Stephen R. Bond (1991) which instrument for the 25% female parliamentary representation using a double lag. To control for contemporaneous correlation, panel-corrected standard errors are reported in columns (3) and columns (8) which include autoregressive processes of order one (AR(1)). It indicates the presence of serial correlation and allowing Prais-Winsten regression for the correction of serial correlation. Following the previous literature, columns (4) and columns (6) add additional covariates such as real GDP per capita, unemployment rate, population rate of the citizens above 65 years old and below 15 years old to take into account general economic development, labor market situation and demographic development. In addition to these covariates, columns (5), (7) and (8) add also female labor force participation rate and female educational attainment for 15-44 year old women to take into account social development. Year dummies are included in all regressions. Moreover, all estimations include country dummies and country specific time trends. The main independent variable (Threshold-25) is a dummy variable which is the proxy for gender bargaining power. It takes a value equal to 1 when the share of female seats in national parliaments across OECD exceed 25%. Panel A uses a yearly balanced panel data from 1980 to 2008 where the public spending on family allowances as a percentage of GDP is the main regressand. Panel B uses the same sample in Panel B where the public spending on family allowances as a percentage of total government spending is the main regressand. Panel C uses the same annual data from 1995 to 2008 including other countries for which the necessary data is not available for the previous years. One, two and three * indicate significance at the 10, 5 and 1% level respectively. Total Old-Age Benefits (%GDP) refers to public and mandatory private spending on old-age benefit as a percentage of GDP. All standard errors are robust for the arbitrary heteroscedasticity. FLFP stands for Female Labor Force Participation Rate.

mass thresholds under 30% critical mass threshold show a significant coefficient esti-
mates while using only the pooled OLS estimation technique. Once country dummies
are included to get rid of the bias, the significance disappears. In line with the previous
results of the 15% critical mass threshold, the fraction of female parliamentarians over
the 20% or the 25% critical mass thresholds are also positively significant in the the
pooled-OLS estimation framework based on three different samples. However, these
results are not robust to inclusion of country fixed effects, additional covariates or to
the use of different samples. Namely, there is no robust positive relationship between
any critical mass threshold level under the 30% female political representation and the
public spending on family allowances.

5   Empirical robustness

Robustness of main results are checked in several ways. First of all, the influence of
more female parliamentarians on family allowances in the same year when they are
just elected can appear unrealistic due to the yearly time structure of the datasets. In
other words, relevant policies can take some time to implement. As a robustness check
for this issue, all estimates are replicated using datasets at 2-year and 3-year intervals
to see the influence of lagged female participation on current family allowances. The
main results on the positive significance of the 30% critical mass threshold remain
unchanged using three different samples as seen in Table 7. I present replications using
only the datasets at 3-year intervals. Although it is not presented, the same also holds
using datasets at 2-year intervals. However it is important to emphasize that increasing
number of intervals unfortunately reduce the number of observations in the datasets.
Therefore, due to the insufficient number of observations, GMM and PCSE techniques
can not be applied in contrast to the case of one year interval.

   Secondly, the robustness of the main results are tested adding new variables to see
whether more females have still influencial power on the allocation of expenditures.
Each panel of Table 8 investigates the influence of different covariates on the relationship
between the 30% critical mass threshold and the public spending on family allowances.
Panel A adds electoral fractionalization of the party-system. Electoral fractionalization
shows the degree to which political parties in a parliament share the votes in a more
equitable way.[14] In most of the countries in the world, two big main parties usually
share the votes after an election. Lijphart (1977) and Mueller and Murrell (1986)
pointed out that the larger number of political parties in a parliament might decrease
efficiency of public spending since multiparty parliaments might make more promises to
different interest groups which can be resulted with less effective reallocation of public

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[14] Index of electoral fractionalization of the party-system according to the formula $(1 - \sum_{i=1}^{m} (v_i)^2$ where v_i
is the share of votes for party i and m is the number of parties) proposed by Rae (1968).

Table 7: Female Political Representation over the 30% Female Critical Mass Threshold and Public Spending on Family Allowances at 3 Year Intervals

	FE (1)	FE (2)	FE (3)
PANEL A			
Threshold-30	0.2200***	0.2245***	0.2108**
	(0.0681)	(0.0685)	(0.0733)
Population rate (under 15)		-0.0033	-0.0062
		(0.0241)	(0.0262)
Population rate (above 65)		-0.0543	-0.0592
		(0.0389)	(0.0383)
Total Old-Age Benefits (%GDP)		0.0384	0.0380
		(0.0297)	(0.0321)
Unemployment Rate		0.0046	0.0043
		(0.0120)	(0.0112)
Log(GDP per capita)		-0.7467*	-0.8051*
		(0.4229)	(0.4553)
FLFP			0.0037
			(0.0091)
Female education			0.0919
			(0.3024)
R-Square	0.7528	0.7794	0.7799
Number of Cases	190	190	190
	FE (1)	FE (2)	FE (3)
PANEL B			
Threshold-30	0.1470***	0.1683***	0.2024**
	(0.0393)	(0.0482)	(0.0735)
Population rate (under 15)		0.0039	0.0088
		(0.0069)	(0.0104)
Population rate (above 65)		0.0062	-0.0088
		(0.0681)	(0.0690)
Total Old-Age Benefits (%GDP)		0.0266	0.0227
		(0.0329)	(0.0314)
Unemployment Rate		-0.0102	-0.0035
		(0.0171)	(0.0181)
Log(GDP per capita)		-0.4139	-0.0258
		(0.9476)	(1.2093)
FLFP			-0.0267
			(0.0284)
Female education			0.3628
			(0.3732)
R-Square	0.5762	0.5830	0.5949
Number of Cases	135	135	135
	FE (1)	FE (2)	FE (3)
PANEL C			
Threshold-30	0.3558***	0.4403***	0.5359***
	(0.1031)	(0.1090)	(0.1625)
Population rate (under 15)		0.0176	0.0327
		(0.0143)	(0.0244)
Population rate (above 65)		-0.0132	-0.0608
		(0.1361)	(0.1403)
Total Old-Age Benefits(%GDP)		0.0534	0.0410
		(0.0671)	(0.0616)
Unemployment Rate		-0.0180	0.0028
		(0.0335)	(0.0330)
Log(GDP per capita)		0.3239	1.4391
		(1.1071)	(1.8625)
FLFP			-0.0807
			(0.0665)
Female Education			0.3627
			(0.8968)
R-Square	0.5126	0.5187	0.5390
Number of Cases	130	130	130

The fixed effects estimation results are shown in all columns. Following the previous literature, column (2) adds additional covariates such as real GDP per capita, unemployment rate, population rate of the citizens above 65 years old and below 15 years old to take into account general economic development, labor market situation and demographic development. In addition to these covariates, columns (3) also adds female labor force participation rate and female educational attainment for 15-44 year old women to take into account social development. All estimations include year, country dummies and country specific time trends. The main independent variable (Threshold-30) is a dummy variable which is the proxy for gender bargaining power. It takes a value equal to 1 when the share of female seats in national parliaments across OECD exceed 30%. Panel A uses a balanced panel data from 1980 to 2008 at 3-year intervals where the public spending on family allowances as a percentage of GDP is the main regressand. Panel B uses the same data from 1995 to 2008 including other countries for which the necessary data is not available for the previous years. Panel C uses the same sample in Panel B where the public spending on family allowances as a percentage of total govenment spending is the main regressand. One, two and three * indicate significance at the 10, 5 and 1% level respectively. Total Old-Age Benefits (%GDP) refers to public and mandatory private spending on old-age benefits as a percentage of GDP. All standard errors are robust for the arbitrary heteroscedasticity. FLFP stands for Female Labor Force Participation Rate.

expenditures. Econometric specifications at Panel A of Table 8 control for the electoral fractionalization to check the robustness of the positive relationship between the 30% critical mass threshold and public spending on family allowances. All results support the positive significance of it after controlling for the electoral fractionalization as well. Electoral fractionalization itself has a positive sign only in the PCSE estimations which are done based on the second and the third samples. However both results are not robust to using GMM and FE techniques. Therefore it is difficult to make an interpretation on the relationship between the electoral fractionalization and public spending on family allowances. Furthermore, Panel B includes legislative fractionalization of the party-system as an other robustness check variable[15]. Legislative fractionalization is defined as "the probability that any two members of the parliament picked at random from the legislature will be from different parties. This is a measure of the division within parliament which has substantial influence over the budget". A higher legislative fractionalization indicates a larger number of small parties occupying legislative seats. The public finance literature has recently discussed that legislative fractionalization might affect the level of public spending. Persson and Tabellini (2004) indicate that since majoritarian parliamentary systems are more likely to produce single party majority governments, whereas coalition and minority governments become more likely under proportional elections, majoritarian elections lead to smaller welfare programs than proportional elections. Similarly Roubini and Sachs (1989) explain the higher amount of public spending with high level of legislative fractionalization and show the presence of many political parties in a ruling coalition as the reason of larger budget deficits. On the other hand, Bawn and Rosenbluth (2006) find no effect of a greater number of parties in the legislature on public spending. In line, Volkerink and De Haan (2001) and Perotti and Kontopoulos (2002) also find some effects that are only marginally significant or not robust to different estimation frameworks. In this paper, legislative fractionalization itself does not show any significant relevance on public family allowances. On the other hand, controlling legislative fractionalization does not change the positive significance of the 30% critical mass threshold.

As another robustness check, the role of female parliamentarians on family allowances is tested regarding different parliamentary systems. Parliamentary systems are characterized with the presence of either a majority or a hung (coalition) parliament and larger coalitions tend to be associated with more expenditures, particularly on transfers (Kontopoulos and Perotti, 1999) since they allow the representation of several interest groups with respect to gender, race, ethnicity etc. Therefore, the role of over 30 per cent female parliamentarians on family allowances is tested using two different sub-datasets, which are subset of solely majority governments and subset of coalition governments. Relevant results are shown in Table 9. As a surprising result, findings support that

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[15] Index of legislative fractionalization of the party-system according to the formula $(1 - \sum_{i=1}^{m} (s_i)^2$ where s_i is the share of seats for party i and m is the number of parties) proposed by Rae (1968).

Table 8: Robustness Checks Using Electoral Fractionalization and Legislative Fractionalization : Female Political Representation over the 30% Female Critical Mass Threshold and Public Spending on Family Allowances

	PANEL A				PANEL B			
	FE (1)	GMM (2)	GMM (3)	PCSE (4)	FE (1)	GMM (2)	GMM (3)	PCSE (4)
The First Sample								
Threshold-30	0.2290***	0.0954**	0.0892***	0.1440***	0.2315***	0.0938**	0.0875***	0.1449***
	(0.0626)	(0.0379)	(0.0335)	(0.0326)	(0.0651)	(0.0370)	(0.0325)	(0.0326)
Electoral Fractionalization	-0.0052	0.0015	0.0013	-0.0024				
	(0.0048)	(0.0019)	(0.0016)	(0.0022)				
Legislative Fractionalization					-0.0029	0.0002	0.0000	-0.0021
					(0.0025)	(0.0011)	(0.0010)	(0.0014)
R-Square	0.7798			0.9466	0.7790			0.9476
Number of Cases	551	494	494	550	551	494	494	550
The Second Sample								
Threshold-30	0.1857***	0.2041***	0.1675***	0.1361***	0.1672***	0.1736***	0.1378***	0.1195**
	(0.0384)	(0.0455)	(0.0457)	(0.0503)	(0.0276)	(0.0371)	(0.0389)	(0.0504)
Electoral Fractionalization	0.0066	0.0081	0.0079	0.0054*				
	(0.0067)	(0.0052)	(0.0056)	(0.0030)				
Legislative Fractionalization					0.0021	0.0033	0.0029	0.0014
					(0.0030)	(0.0024)	(0.0030)	(0.0021)
R-Square	0.5870			0.9701	0.5830			0.9697
Number of Cases	350	275	275	349	350	275	275	349
The Third Sample								
Threshold-30	0.4028***	0.4229**	0.4460**	0.2885**	0.3419***	0.3313**	0.3610**	0.2440**
	(0.1152)	(0.1940)	(0.1988)	(0.1156)	(0.0843)	(0.1492)	(0.1646)	(0.1140)
Electoral Fractionalization	0.0202	0.0203	0.0226	0.0147*				
	(0.0201)	(0.0168)	(0.0165)	(0.0080)				
Legislative Fractionalization					0.0053	0.0095	0.0117	0.0046
					(0.0088)	(0.0077)	(0.0076)	(0.0055)
R-Square	0.5399			0.9644	0.5333			0.9634
Number of Cases	336	264	264	335	336	264	264	335

Using three different samples, Panel A and Panel B represent robustness checks for the electoral and legislative fractionalization respectively. The first sample is a yearly balanced panel data that covers 19 countries from 1980 to 2008 where the public spending on family allowances as a percentage of GDP is the main regressand. The second sample which is a yearly balanced panel data that covers 25 countries from 1995 to 2008 where the public spending on family allowances as a percentage of GDP is the main regressand. The third sample which is a yearly balanced panel data that covers 24 countries from 1995 to 2008 where public spending on family allowances as a percentage of total government spending is the main regressand. The main independent variable (Threshold-30) is a dummy variable which is the proxy for gender bargaining power. It takes a value equal to 1 when the share of female seats in national parliaments across OECD exceed 30%. Panel A of each sample only controls for the electoral fractionalization and Panel B of each sample only controls for the legislative fractionalization. To take into account economic, demographic and labor market situation and the general social development, GMM and PCSE estimation methods in columns (3) and columns (4) of each panel add also other control variables such as real GDP per capita, unemployment rate, population rate of the citizens above 65 years old and below 15 years old, female labor force participation rate and female educational attainment for 15-44 year old women. Year dummies, country dummies and country specific time trends are included in all regressions. All standard errors are robust for the arbitrary heteroscedasticity and represented in parentheses. One, two and three * indicate significance at the 10, 5 and 1% level respectively.The focus on 25 and 24 countries is due to the missing value of electoral and legislative fractionalization variables for some countries in the second and third samples.

female parliamentarians under majority governments might not be effective in policy making in favor of women when electoral incentives are powerful(see the results at Panel B in Table 9). Electoral incentives would sometimes make parliamentarians to implement a policy bundle which is solely favored by the majority of voters, not by her own interest groups. Instead, coefficients belong to the 30 per cent threshold in coalition governments are significant showing the power of more women in the allocation of family allowances. However, as expected, if government types (majority or coalition) are controlled, main results of the paper remained unchanged as seen at Panel C in Tabel 9. All results represented in this table are obtained using the base sample however they are robust to using second and the third samples as well.

Moreover, previous literature suggest that the ideology of a governing party can determine the size of public expenditures and it is argued that left-wing governments expand social transfers more than right-wing governments. Therefore, composition of the government on the right-left political spectrum is controlled using "cabinet composition" variable which takes 1 if there is hegemony of right-wing parties, takes 2 if there is dominance of right wing parties, takes 3, 4 and 5 when there is balance of of power between right and left, dominance of social democrats together with other left parties and hegemony of social democrats together with other left parties respectively. However, controlling for cabinet composition does not create any change in the main results. As another variable, percentage of seats occupied solely by the left-wing parties is controlled but the previous results on the significance of 30 per cent threshold remained unchaged as seen in Table 10. All results represented in this table are obtained using the base sample however they are robust to using second and the third samples as well.

Table 9: Robustness Checks: Female Political Representation Over 30% Female Critical Mass Threshold and Public Spending on Family Allowances Under the Subsets of Government Types and Controlling Government Types

	FE (1)	GMM (2)	PCSE (3)	FE (4)	FE (5)	GMM (6)	GMM (7)	PCSE (8)
PANEL A: Subset of hung parliaments								
Threshold-30	0.2837***	0.1232***	0.1232***	0.2326***	0.2130***	0.0912***	0.0878***	0.0878***
	(0.0670)	(0.0234)	(0.0234)	(0.0475)	(0.0490)	(0.0157)	(0.0154)	(0.0154)
R-Square	0.7744			0.8114	0.8140			
Number of Cases	245	221	221	245	245	221	221	221
PANEL B: Subset of majority parliaments								
Threshold-30	0.0021	-0.0028	-0.0028	-0.0548	-0.0187	-0.0291	-0.0243	-0.0243
	(0.0546)	(0.0357)	(0.0357)	(0.0829)	(0.0614)	(0.0587)	(0.0592)	(0.0592)
R-Square			0.8977	0.8993				
Number of Cases	180	159	159	180	180	159	159	159
PANEL C: Controlling government type								
Threshold-30	0.2370***	0.1037**	0.1607***	0.2394***	0.2253***	0.1008***	0.0973***	0.1518***
	(0.0679)	(0.0404)	(0.0344)	(0.0639)	(0.0652)	(0.0358)	(0.0362)	(0.0323)
Government Type	-0.0137	-0.0103	-0.0133***	-0.0139	-0.0155	-0.0107	-0.0110	-0.0143***
	(0.0122)	(0.0063)	(0.0047)	(0.0114)	(0.0113)	(0.0066)	(0.0067)	(0.0047)
R-Square	0.7794		0.9458	0.8015	0.8031			0.9486
Number of Cases	551	494	550	551	551	494	494	550

The fixed effects estimation results are shown in columns (1), (4), (5). Columns (2), (6) and (7) use the GMM of Manuel Arellano and Stephen R. Bond (1991). To control for contemporaneous correlation, panel-corrected standard errors are reported in columns (3) and columns (8) which include autoregressive processes of order one (AR(1)). It indicates the presence of serial correlation and allowing Prais–Winsten regression for the correction of serial correlation. Following the previous literature, columns (4) and columns (6) add additional covariates such as real GDP per capita, unemployment rate, population rate of the citizens above 65 years old and below 15 years old to take into account general economic development, labor market situation and demographic development. In addition to these covariates, columns (5), (7) and (8) add also female labor force participation rate and female educational attainment for 15-44 year old women to take into account social development. All estimations include country dummies, year dummies and country specific time trends. The main independent variable (Threshold-30) is a dummy variable which is the proxy for gender bargaining power. It takes a value equal to 1 when the share of female seats in national parliaments across OECD exceed 30%. All esmations are done using the base sample from 1980 to 2008. Panel A uses a subset of this data covering only the hung parliaments. Panel B uses a subset of majoritarian parliaments. Panel C uses the entire base sample. In all estimations, the public spending on family allowances as a percentage of GDP is the main regressand. One, two and three * indicate significance at the 10, 5 and 1% level respectively. Total Old-Age Benefits (%GDP) refers to public and mandatory private spending on old-age benefits as a percentage of GDP. All standard errors are robust for the arbitrary heteroscedasticity. FLFP stands for Female Labor Force Participation Rate.

Table 10: Robustness Checks: Female Political Representation over the 30% Female Critical Mass Threshold and Public Spending on Family Allowances Controlling Cabinet Composition and Seat Percentage of the Left-Wing Parties

	FE (1)	GMM (2)	PCSE (3)	FE (4)	FE (5)	GMM (6)	GMM (7)	PCSE (8)
PANEL A: Controlling cabinet composition								
Threshold-30	0.2347***	0.0937**	0.1578***	0.2376***	0.2250***	0.0926***	0.0894**	0.1504***
	(0.0721)	(0.0386)	(0.0346)	(0.0697)	(0.0725)	(0.0345)	(0.0350)	(0.0326)
Cabinet Composition	-0.0134	-0.0040	-0.0069	-0.0177	-0.0174	-0.0050	-0.0049	-
								0.0093*
	(0.0122)	(0.0043)	(0.0050)	(0.0110)	(0.0111)	(0.0041)	(0.0041)	(0.0049)
R-Square	0.7810		0.9446	0.8053	0.8063			0.9463
Number of Cases	551	494	550	551	551	494	494	550
PANEL B: Controlling seat percentage of left-wing governments								
Threshold-30	0.2340***	0.0927**	0.1570***	0.2368***	0.2241***	0.0916***	0.0884**	0.1493***
	(0.0714)	(0.0382)	(0.0345)	(0.0693)	(0.0721)	(0.0340)	(0.0345)	(0.0327)
Left-wing Government	-0.0004	-0.0001	-0.0002	-0.0006	-0.0006	-0.0001	-0.0001	-0.0003
	(0.0005)	(0.0002)	(0.0002)	(0.0004)	(0.0004)	(0.0002)	(0.0002)	(0.0002)
R-Square	0.7796		0.9448	0.8034	0.8044			0.9464
Number of Cases	551	494	550	551	551	494	494	550

The fixed effects estimation results are shown in columns (1), (4), (5). Columns (2), (6) and (7) use the GMM of Manuel Arellano and Stephen R. Bond (1991). Columns (3) and columns (8) which include autoregressive processes of order one (AR(1)). It indicates the presence of serial correlation, panel-corrected standard errors are reported in columns (3) and columns (8) which include autoregressive processes of order one (AR(1)). To control for contemporaneous correlation and allowing Prais-Winsten regression for the correction of serial correlation. Following the previous literature, columns (4) and columns (6) add additional covariates such as real GDP per capita, unemployment rate, population rate of the citizens above 65 years old and below 15 years old to take into account general economic development, labor market situation and demographic development. In addition to these covariates, columns (5), (7) and (8) add also female labor force participation rate and female educational attainment for 15-44 year old women to take into account social development. All estimations include country, year dummies and country specific time trends. The main independent variable (Threshold-30) is a dummy variable which is the proxy for gender bargaining power. It takes a value equal to 1 when the share of female seats in national parliaments across OECD exceed 30%. All estimations are done using the base sample from 1980 to 2008 where the public spending on family allowances as a percentage of GDP is the main regressand. All regressions in Panel A controls cabinet composition while regressions in Panel B controls seat share of left party in cabinet composition. In all estimations, the public spending on family allowances as a percentage of GDP is the main regressand. One, two and three * indicate significance at the 10, 5 and 1 % level respectively. Total Old-Age Benefits (%GDP) refers to public and mandatory private spending on old-age benefits as a percentage of GDP. All standard errors are robust for the arbitrary heteroscedasticity. FLFP stands for Female Labor Force Participation Rate.

6 Conclusions

Representative democracy and the good governance approaches suggest that the participation of the citizens from different groups in policy making is essential for the fair redistribution. Different voices in public policy making leads to a resource allocation concerning the preferences of all citizens irrespective of gender, class and race. Due to the persistent gap between women and men in the political arena, especially female voices in policy-making has emerged as a global issue all over the world.

The under-representation of women in politics still persist even in the most advanced OECD countries. Women have constituted just 26.8% percent of the members of parliaments across the OECD in 2012, up from 19.9% in 2009. There is no country which has reached to equal participation of women and men in politics among the OECD. Sweden is the only country where male and female parliamentarians have nearly equal participation with 44.7% of female seats in the parliament. Moreover, the percentage share of the female seats are still less than one-third in 23 out of 34 OECD countries.

Correspondingly, the percentage share of some public spending categories which reflects women's preferences are much more lower than the other spending categories (OECD, 2013). Previous literature suggest that women are more likely than man to support policies on children and family (Besley and Case, 2000; Case and Deaton, 1998; Alesina and La Ferrara, 2005; Thomas, 1990; Duflo, 2003; Edlund and Pande, 2002; Chattopadhyay and Duflo, 2004). Public spending on family allowances is one of the important policies target especially families who have financial needs for the schooling and the health controls of the children. Therefore, this paper analyzes whether female under-representation over the thirty years across the OECD parliaments matters for the low level distribution towards public family allowances. Public spending on family allowances is a novel contribution which has not been studied before in the relevant literature. My preference in this subject has also been influenced by the availability of the dataset on family allowances drawn many new OECD countries that have recently joined the OECD to control the cross-country heterogeneity. In fact, estimations based on the data that only includes traditional OECD countries, which have for long had higher number of female parliamentarians than the new OECD countries, show different results.

To sum up, this paper substantially improves our understanding on the role of female voice. In particular, it helps to explain an important result that small raises in the number of elected female parliamentarians across the OECD over thirty years might not be enough to observe policy changes in public family allowances, which probably require stronger changes in female political participation. Using data from the OECD countries that covers the period of 1980–2010, it is found that female parliamentarians are effective on increasing the amount of public spending on family allowances once

they peaked at a certain critical mass threshold unless they do not belong to majoritarian governments. This result suggests that the persistent under-representation of women in the OECD parliaments or their electoral incentives might still be an obstacle for their efficiency in policy decision making on public family allowances.

7 Appendix

Among papers in the relevant literature, Andrews (1993) initially proposed the following test.

$$y_t = x'_t \beta_1 + \varepsilon_t \qquad for \qquad t = 1,......,\tau \tag{3}$$

$$y_t = x'_t \beta_2 + \varepsilon_t \qquad for \qquad t = \tau + 1,......,T \tag{4}$$

β_1, β_2 and x_t are at $k \times 1$ dimension. There is a single breakpoint, which is τ. Assume the x's are stationary and weakly exogenous and the ε's are serially uncorrelated and homoscedastic. Then we examine the following hypothesis;

$$H_0 : \beta_1 = \beta_2 \tag{5}$$

If τ is known the F-statistic is:

$$F_T(\tau) = (T - 2k)[SSR_{1:T} - (SSR_{1:\tau} + SSR_{\tau+1:T})]/(SSR_{1:\tau} + SSR_{\tau+1:T}) \tag{6}$$

where T is the number of years, k the number of regressors, $SSR_{1:T}$ is the sum of squared residuals of regression (3) and similarly $SSR_{\tau+1:T}$ is the sum of squared residuals of regression (4). The F-statistic follows asymptotically $\chi^2(k)$ under H_0. In the case where τ is unknown, Quandt (1960) showed that the likelihood ratio statistic corresponding to $H_0 : \beta_1 = \beta_2$ is;

$$QLR_T = \max_{\tau \varepsilon \{\tau_{min},......,\tau_{max}\}} F_T(\tau) \tag{7}$$

Andrews (1993) showed that under appropriate regularity conditions, the QLR_T statistic, also referred to as a *SupLR* statistic has a nonstandard limiting distribution and specifically under H_0 is;

$$QLR_T [D] \frac{sup}{r\varepsilon[r_{min}, r_{max}]} \left(\frac{B_k(r)' B_k(r)}{r(1-r)} \right) \tag{8}$$

where $0 < r_{min} < r_{max} < 1$ and $B_k(.)$ is a "Brownian Bridge" process defined on $[0,1]$ and *sup* is the least upper bound of a set *S*.

Accordingly, in Table (11)[16] the *QLR* test statistic, along with the p-Âvalues, is reported. It becomes obvious that every country is exposed in different year of structural break. Then the following regression for various thresholds is estimated.

$$y_{it} = \alpha th_{it} + \eta' \sum_{i=1}^{i} D_{it} + \delta' \sum_{i=1}^{i} D_{it} \times th_{it} + \mathbf{x}_{it}\beta + \gamma_i + \mu_t + \upsilon_{it} \qquad (9)$$

where y_{it} is the family allowances, th_{it} indicates the threshold level, D_{it} is the dummy for country i and time t, taking value 1 for the post-period (after the structural break) and 0 for the pre-period for $i = 1, \ldots, i$ countries. Thus, the regressions control for the dummy D_{it}, and the interaction term of $D_{it} \times th_{it}$ for all countries. In Table 12, the coefficient of the threshold (α) for every threshold as well as the F-statistic for the interaction term $D_{it} \times th_{it}$ are reported. In all cases the null hypothesis of the non-significance of the joint interaction term $D_{it} \times th_{it}$ for all countries is rejected, confirming that the year of the structural breaks found in Table 12 exist. On the other hand, the threshold coefficient is significant for a percentage up to 28, while it becomes significant for 29 per cent and higher that almost supports the final finding, which is 30 per cent, of the paper. The insufficient number of observations did not allow me to test over 33 per cent, since out of all OECD countries there are only four countries where the percentage share of female parliamentarians pass 33 per cent as seen in Table 13.

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[16] Due to the longest time dimension compared to other two samples, structural breaks using the first sample of the paper which is covered from 1980 to 2008, are shown here. Other structural break tables can be obtained using other samples as well.

Table 11: Structural Breaks For Every Country Using Base Sample

Country	Break Year	QLR test statistic
Australia	1991	67.5117
		[0.0000]
Belgium	1985	225.941
		[0.0000]
Canada	1985	583.5519
		[0.0000]
Denmark	1987	49.4299
		[0.0000]
Finland	1991	75.5060
		[0.0000]
France	1986	353.4097
		[0.0000]
Greece	1990	314.7958
		[0.0000]
Ireland	1992	63.929
		[0.0000]
Italy	1986	115.593
		[0.0000]
Japan	2001	220.1292
		[0.0000]
Luxembourg	1992	117.5735
		[0.0000]
New Zealand	1996	171.925
		[0.0000]
Netherlands	1987	62.3748
		[0.0000]
Portugal	1990	83.8733
		[0.0000]
Spain	1986	92.0637
		[0.0000]
Sweeden	1991	52.212
		[0.0000]
Switzerland	1996	122.7585
		[0.0000]
United Kingdom	1991	197.0192
		[0.0000]
United States	1992	81.1321
		[0.0000]

Note: p values are represented within square brackets.

Table 12: Threshold and Structural Break Tests

Threshold	α Coefficient	F-statistic for $D_{jit} \times th_{it}$
20	-0.1060	4,507.86
	(0.0622)	[0.000]
25	0.0028	23,642.52
	(0.0672)	[0.000]
26	-0.02765	7,740.26
	(0.0807)	[0.000]
27	0.0950	3,362.23
	(0.0997)	[0.000]
28	0.1624	2,329.60
	(0.1032)	[0.000]
29	0.2452**	24,117.66
	(0.1013)	[0.000]
30	0.3003***	67,950.03
	(0.0598)	[0.000]
31	0.3288***	1,634.00
	(0.0567)	[0.000]
32	0.3070***	4,303.36
	(0.0745)	[0.000]
33	0.3173***	4,114.25
	(0.0746)	[0.000]

Note: Robust standard errors are represented within brackets, p-values are represented within square brackets, *** and ** indicate significance at 1% and 5% level.

Table 13: Percentage Share of Female Parliamentarians in National Parliaments

Country	1995	2000	2005	2010
Australia	9.5	22.43	24.7	24.7
Austria	26.2	26.8	33.9	27.9
Belgium	12	23.33	34.7	39.3
Canada	17.9	20.6	21.1	22.1
Czech Rep.	10	15	17	22
Denmark	33.5	37.4	36.9	38
Finland	33.5	36.6	37.5	40
France	6.4	10.9	12.2	18.9
Germany	26.2	30.9	31.8	32.8
Greece	6	8.7	13	17.3
Ireland	12	12	13.3	13.9
Israel	9.2	11.7	15	19.2
Italy	15	11.1	11.5	21.3
Japan	2.74	7.3	9	11.3
Korea	2	5.9	13.4	14.7
Luxembourg	20	16.6	23.3	20
New Zealand	21.2	30.8	32.2	33.6
Netherlands	31.3	36	36.7	40.7
Norway	39.3	36.3	37.9	39.6
Poland	13	13	20.4	20
Portugal	13	17.4	21.3	27.4
Slovakia	14.7	12.7	16.7	15.3
Spain	16	28.3	36	36.6
Sweeden	40.4	42.69	45.3	45
Switzerland	18	22.9	25	16.8
United Kingdom	9.22	18.36	19.7	22
United States	11	14	15.2	16.8

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