Referee Report on "Gendered Economic Policy Making: The Case of Public Expenditures on Family Allowances"

Summary

The paper estimates the effect of female representation in parliament on family allowance expenditures in OECD countries. Financial support for families from the government is supposed to be a policy that females care more about than men and therefore a larger share of women in parliament should increase the expenditures of the state towards families.

The author fails to find a positive linear relationship between female representation and family allowance expenditure in a dataset of OECD countries. She then argues that female representatives need to reach a certain threshold to give women the necessary bargaining power to implement a family friendly policy. When the author assumes a threshold of 30% of females in parliament, she finds a significant positive effect of female representation on family allowance expenditures.

Comments

Major Issues

- The yearly time structure of the dataset strikes me as too high-frequency. The estimating equation implies an effect of female representation on

family allowance expenditure in the same year. If this is actually a causal effect, then when more females are elected into parliament, they need to influence the policies implemented and increase actual expenditures in that same year. That sounds a bit unrealistic.

One instance where the share of females in parliament and family allowance expenditures increase in the same year would be after an election. The electorate votes for a party that has a pro-family policy agenda and many females on their electoral list. This situation would produce a positive point estimate, but the causal channel doesn't necessarily run from females in parliament to family allowance expenditures but could be a correlation of voter preferences.

- The econometric panel data methods employed are quite theory driven and are not motivated by the problem at hand. For instance in the middle of page 9, the author discusses the estimation methods to estimate equation (1): Pooled OLS doesn't work if the strict exogeneity assumption isn't satisfied. Why should I believe this assumption is not satisfied? The section in the paper goes on for ten lines about correlations between the error term and covariates and the resulting problems, but does not relate this issue to the relationship between female representatives and family allowance expenditures.[1] A short explanation (one sentence)is given in the next subsection on page 13, but that could be expanded and moved forward.

- The finding that a critical mass of female representatives need to exist to influence expenditure of family allowances is central to the paper. However, there is not much discussion as to why there should be a 30% threshold. As a reader, I would like to be convinced that this threshold exists. Simply showing a significant effect does not do that. It would be also interesting to see how many countries and at what point in time does the share of female representatives exceed the 30% threshold.

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[1]In fact, the section talks about "individual specific effects" when the unit of observation in the study is a country.

Minor Issues

- The readability of the paper would greatly improve from a proper proof-reading.

- The regression tables are quite large. There are three different samples and three different estimation techniques. If pooled OLS is ruled out because it is biased, why include it in the first place? And how do three (not mutually exclusive) samples of countries add information here? Wouldn't it be better to get one large sample (even if the number of periods per country are different)?

- A single sentence on page 9 mentions that country-specific time trends are included in the regressions. These seem quite important to me. However at the tables there is no hint if such trend-terms are added. If these terms are not included after all, it would be interesting to see how the overall results change.

- Variables that measure shares should be normalized consistently between 0 and 1 or 0 and 100. In particular the demographic shares are measured differently here.

- The structure of Section 3 "Data Description, Econometric Model and Empirical Results" does not make it easy to follow. The section is split into the linear relationship (between female representatives and family allowance expenditures) and the threshold estimation. Both sections use basically the same estimating equations (changing one independent variable), but the explanation of the econometric problems appear twice. A single subsection on the empirical strategy would make sense. In general there is a lot of repetition in these sections.

- The paper is in general badly structured. For instance, there is a long paragraph in Section 2 "Theoretical Background and Existing Studies" that talks about the panel data econometrics used in this paper and standard error correction - this doesn't seem to be the right place.