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1 Introduction

Immediately after COVID-19 hit, national governments enabled fast and unbureaucratic support for affected businesses (Bridgman et al., 2021). The European Commission put together what it considers "The largest stimulus package ever", investing more than 800 billion Euros in boosting the economy (EuropeanCommission, 2021). The package contains a great variety of policy measures that support businesses through interventionist practices such as financial investments, tax cuts, or research and development funding (Farnsworth, 2013), so-called corporate welfare policies. Despite its socio-economic relevance – and in comparison to labor-centered social and capital-centered (de)regulatory policies – corporate welfare and, more specifically, partisan politics of corporate welfare have not gained much scholarly attention. Not only have the economic consequences of the COVID-19 outbreak put a spotlight on state-centered business support, but the ecological transformation of the economy and the current inflation crisis have also intensified debates on how the state should or should not support individual businesses.

This is striking given the enormous amounts of tax money spent and the implications that a potential (re-)calibration of corporate welfare has not only for employers but also for employees and customers (Farnsworth, 2012). Taking increasing backlash against economic globalization in public opinion (Emmenegger, Häusermann and Walter, 2018; Walter, 2021) and growing importance of populist forces that rail against corporate elites (Culpepper, 2021) into account, it is furthermore astonishing how little we know about political parties' priorities in supporting (specific types of) businesses through state-interventionist practices. Labor-centered social policy analysis and capital-centered work on (de)regulatory proposals are focal points of research on state–market relations. They can surely facilitate a better understanding of partisan politics of corporate welfare. But since corporate welfare arrangements disturb the common equation of pro-capital with pro-market positions and pro-labor with pro-state stances, partisan politics of corporate welfare might differ substantially from what we already know about parties' role in economic policymaking.

In this Masters's thesis, I seek to investigate political parties' corporate welfare proposals looking at both country- and party-specific position-taking (P. A. Hall, 2020; Baccaro and Pontusson, 2022). I argue that how political parties address assistance of different businesses eschews clear-cut oppositions between labor and capital as well as state and market. Taking growing internationalization of economic relations (Walter, 2021; Mansfield, Milner and Rudra, 2021) into account, I suggest that left-wing parties might be torn between anti-business and pro-state. In contrast, right-wing parties might be torn between pro-business and anti-state stances. Additionally, political parties might integrate nationalist considerations in their positions on corporate welfare (Ennser-Jedenastik, 2016; Emmenegger, Häusermann and Walter, 2018). They might, moreover, be motivated by electoral incentives and limited by their responsibility for the countries' economic success. Thus, I ask how political parties' positions on corporate welfare are shaped by both electoral and ideological considerations and how this is furthermore embedded in country-specific macroeconomic configurations.

To answer the research question, I rely on an original dataset of deregulatory and corporate welfare claims collected from 419 manifestos of 225 parties in 25 European countries. Indeed, this Master's thesis provides evidence that party positions on corporate welfare differ significantly from those on deregulation. Positions on interventionist business support do not match a linear economic left-right relationship. In fact, while support levels peak with parties with centrist state–market positions, economically liberal parties show lower levels of corporate welfare support than parties located to the extreme left. Consequently, the relationship between parties' placement on the state–market continuum and support for corporate welfare corresponds to an inverted U-shape. Since macroeconomic country-specific explanations only play a limited role, this also implies that, contrary to what is often assumed, there are party-specific differences in corporate welfare support. However, macroeconomic setups gain significance if the focus shifts to targeted corporate welfare – more specifically, appeals to small- and medium-sized enterprises as well as local companies. The targeting of SMEs decreases if large businesses contribute more to national growth. Contrary to expectations, this is not the case when it comes to local business support: Parties embedded in a macroeconomic setting in which foreign companies are more important for the countries' growth strategy do not decrease attention on local corporations but intensify addressing them. Taking into account that nationalist parties place special emphasis on corporate welfare for local businesses, I argue that both countries' embedding in and parties' stances on (economic) globalization matter for their corporate welfare strategies. In bridging research of the fields of Comparative Political Economy and Electoral Politics this Master's thesis can contribute to a better understanding of how the interplay of ideological, electoral, and macroeconomic aspects is influencing political parties' takes on state–market relationships in the 21st century. In re-shifting the focus from social to corporate welfare, it can help us understand potentials for partisan policy coalitions with shared perspectives on corporate welfare configurations that might differ from those for social policy proposals.

The thesis is structured as follows: Section 2 provides definitional remarks on corporate welfare, distinguishes corporate welfare from deregulatory measures and locates both on the state–market continuum. On that basis, I derive first expectations on how economic left-right placement relates to party-positioning on different modes of business support. In Section 3, I will specify my expectations regarding the (re-)shifting of different corporate welfare proposals. In this regard, I follow a three-step approach: First, I provide an overview of parties' role in economic policymaking. As a second step, I lay out ideological and vote-seeking explanations that potentially shape party-specific differences in addressing distinct corporations' needs. Since I follow the premise that linkages between parties and businesses are embedded in macroeconomic configurations, I furthermore consider country-specific differences in targeting specific business types. In Section 4, I will describe how I selected the cases included in the analysis, the methodological approach I chose and the data on which it is based. Section 5 contains both the bivariate and multivariate analyses. Finally, I conclude with a summary and discussion of the findings and outline further implications in Section 6.

2 Corporate Welfare on the State–Market Continuum

Although corporate welfare transfers are an important tool of economic policymaking, the concept is ill-defined, understudied and lacks empirical attention (Bulfone, Ergen and Kalaitzake, 2022). Consequently, little is known about political parties' stances on corporate welfare and how politics of corporate welfare resemble existing theoretical as well as empirical accounts on deregulatory and/or social welfare policies. Against this backdrop, Section 2.1 provides an overview of existing conceptual work on corporate welfare. This serves to explicate my own definition of corporate welfare with which I distinguish business-friendly interventionist support proposals from market-friendly non-interventionist deregulatory proposals in Section 2.2. In a final step, I locate both sets of policies on the state–market continuum and provide first baseline hypotheses.

2.1 Corporate Welfare in Existing Literature

As I have already pointed out, a clear, widely used definition of corporate welfare does not exist. Nonetheless, scholarship has reflected on different modes of business support and the particularities of corporate welfare measures. In this regard, I present conceptual work by Farnsworth (2013), its highly topical reflection by Bulfone, Ergen and Kalaitzake (2022) and recent scholarship on social investment, which provides additional insights into business-targeted commodifying policies.

First, according to Farnsworth (2013, p. 5) corporate welfare is defined as "various benefits and services that directly, or indirectly, meet the needs of businesses". Corporate welfare is, thus, not necessarily beneficial to the market in aggregate but might be specifically targeted at individual corporations and is limited to private businesses (Farnsworth, 2012; Farnsworth, 2013). According to this definition, corporate welfare is understood to be a two-fold concept, not only fulfilling needs and socializing risks of private individuals but also private enterprises. Since state resources are scarce and different interest groups compete for (financial) aid, provision of corporate welfare is embedded in capital–labor relationships. The opposition between social and corporate welfare manifests itself in conflicting interests between capital and labor, although with fluid boundaries. Against this backdrop, Farnsworth (2012) defines a social–corporate welfare continuum with which he distinguishes between social, social-corporate, corporate-social and corporate welfare. Figure 1 depicts how different policies fit in the respective categories according to Farnsworth

(2012, p. 44). While benefits at the edges of the continuum are exclusively limited to capital or labor, benefits in the middle cannot easily be distinguished between classes. On the one hand, the conceptualization of a social–corporate welfare continuum by Farnsworth (2012) enables us to capture the manifoldness of ways with which capital and labor, as well as states and markets, relate to each other. It illustrates that highly encompassing policies benefit both labor and capital (e.g., infrastructure), and how some policies benefit some businesses but not others (e.g., private sector transfers). On the other, with this broad conceptualization of corporate welfare, it is hard to distinguish between different aims and underlying philosophies of business-centered policy proposals. Let's think, for example, about a party that proposes retrenchment of benefits for established corporations. In reference to Farnsworth (2012, p. 44) and as depicted in Figure 1, this single policy could be considered both retrenchment of corporate welfare since subsidies (Point 14) are reduced or expansion of corporate welfare since possibilities for market entry (Point 9) are expanded.

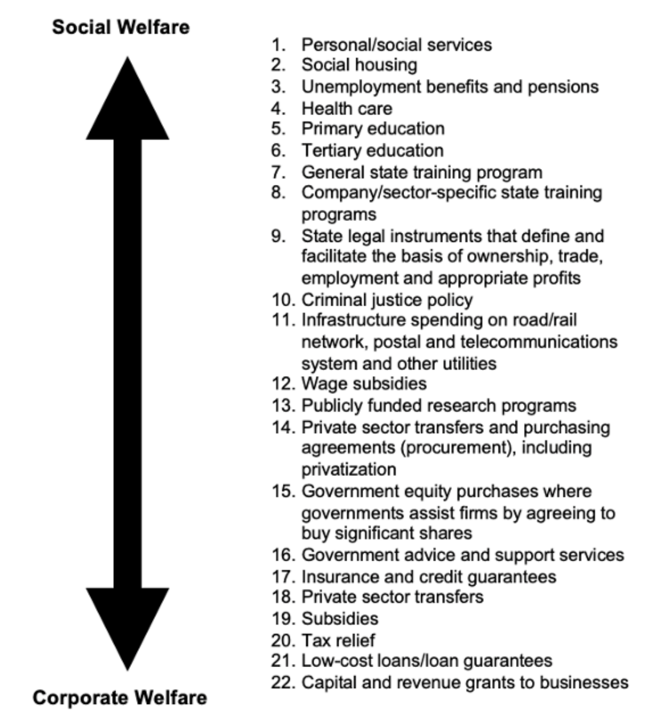

Figure 1: Conceptualization - Social-Corporate Welfare Continuum (Farnsworth, 2012, p.44)

Second, in reference to the broad definition of corporate welfare by Farnsworth (2012), Bulfone, Ergen and Kalaitzake (2022) have also stressed the need for a more nuanced conceptualization. They highlight the interventionist character of corporate welfare and point to the importance of no or weak conditionality. Since states support companies without strings attached, they argue that corporate welfare demonstrates the structural strength of businesses vis-à-vis state institutions. The (lack of) conditionality is an important feature of corporate welfare that rightfully questions that interventionist practices necessarily demonstrate state strength. At the same time, the state–business power struggles corporate welfare (re-)shifts are very context-specific: Supporting businesses through interventionist public policies with weak or no conditionality can be – as suggested by Bulfone, Ergen and Kalaitzake (2022) – a sign of the importance of the respective businesses or sectors. Under the realm of economic globalization, corporate welfare might, however, also live up to its welfare dimension and safeguard corporations and industries that would otherwise not be able to survive international competition. In this context, states are more likely to hold the upper hand.

Finally, in recent years scholarship on social investment has both theoretically and empirically incorporated (parts of) corporate welfare. Following Garritzmann, Häusermann and Palier (2022, p. 60), social investment policies "aim to create, mobilize, and/or preserve human skills and capabilities". They are contrasted with compensatory measures, which do not pursue an activating (market-friendly) objective but have a decommodifying character. In this sense, social investment policies are designed to generate long-term growth and curb social inequality, while strategies of social protectionism offer short-term compensations. While social investment policies are conceptualized as *new* forms of social welfare targeted at individuals, they encompass policies that are more closely linked to business needs such as spending on education or R&D (Beramendi et al., 2015). As depicted in Figure 1, activating social investment policies are located on the edge between social and corporate welfare.

2.2 Defining Corporate Welfare: Interventionist but Business-Friendly

In this Master's thesis, I argue that it is important to consider differences between pro-business and pro-market proposals. To analyze diverging (partisan) positions on state interventions, I clearly distinguish deregulating from interventionist practices. In this regard, I follow Boix (1998), who differentiates between two supply-side oriented growth-maximizing strategies political parties have at hand. In the first case, political parties propose deregulatory policies which increase private savings and investments. In the second case, political parties favor public expenditure in human and fixed capital (Boix, 1998).

This distinction, however, should not obscure the assumption that corporate welfare and deregulatory policies are both state-driven. In neo-classical theory firms are considered to be able to react to but unable to influence prices in pure markets. Since pure markets are by definition isolated from political influence, states and markets were treated separately (Crouch, 2010). In practice, both the limited role of the firm in the market as well as its non-relationship to the state was put into question. As firms increase in size, they are eager to minimize transaction costs in drawing up long-term contracts built on emerging labor law (Coase, 1937). Simultaneously barriers for market entry heightened and competition law was introduced. As a result, the regulation of markets by states became more important for companies and their interest in influencing them increased (Crouch, 2010). According to Polanyi (1944), markets are always built on institutional configurations, and, thus, always constructed through political decisions. Even in comparatively free markets, states function as structuring agents defining the rules of the game (Coen, Grant and Wilson, 2010). As modern capitalism was introduced through legislative changes that enabled property rights (Horwitz, 1977), current configurations of digitized, financialized capitalism are similarly shaped by legal updates (Pistor, 2019).

Nonetheless, these two sets of policy proposals follow different principles. Since states have the power to shape market conditions, they can put forward legislation which enables freer markets and fulfills businesses' demands for deregulation. In contrast, they can propose pro-business policies which entail market regulation. Although both state activities might be beneficial to corporations, the latter increases state influence in market practices, while the former implies a reduction of state intervention and should therefore not be considered corporate welfare. I, thus, provide a narrower definition of corporate welfare as suggested by Farnsworth (2013). I define corporate welfare as various benefits and services provided by governments that directly, or indirectly, meet the needs of private businesses through interventionist practices. Against this backdrop, corporate welfare consists of a range of educational, research and infrastructure policies, both explicit and implicit in-kind and financial support through grants, tax reliefs, subsidies and guarantees as well as social policies and market regulation practices which are specifically targeted to support corporations.

Although I differ from Farnsworth (2013) and limit corporate welfare to state interventionist practices, I agree that it is important to highlight overlaps between social and corporate welfare. Upgrading infrastructure can, for example, be targeted both at citizens and corporations. Following on from that, corporate welfare proposals are not only embedded in employers' demands, but also linked to employees' wishes. In a similar vein, it is important to consider how different types of businesses benefit from different types of corporate welfare expansion as well as corporate welfare retrenchment (Farnsworth, 2013). Skill-intense businesses, for example, might specifically benefit from a well-educated and specialized workforce and might therefore be willing to accept higher tax levels considering that money is spent for educational programs, while businesses which do not depend on a highly-educated workforce prefer lower working costs and consider out-sourcing as a viable alternative. Furthermore, I stress the importance of non-conditionality but do not follow Bulfone, Ergen and Kalaitzake (2022) in understanding it exclusively as a sign of businesses' structural privilege. I also move away from the time-sensitive conceptualization of (social) investment policies as encouraged by Garritzmann, Häusermann and Palier (2022). While the differentiation of short- and long-term benefits should be a central moment in the future analysis of specific corporate welfare policies, my conceptualization combines long-term investments in the supply-side and short-term financial support for companies.

In short, corporate welfare entails a shift from market to state that serves the need of (some) corporations. This contrasts corporate welfare measures from both social policy proposals which address demands of labor as well as deregulatory economic policies which entail a shift from state to market. Taking the different nature of interventionist corporate welfare and deregulatory business-supporting policies into account, the question of whether the straight-forward positive correlation between being economically right-wing and supporting deregulatory practices also translates to corporate welfare policies comes to the fore. Since deregulation and corporate welfare are located at different stages of the state–market continuum, parties' economic left-right position is expected to translate into distinct stances regarding these two sets of policies. To begin with, I, thus, formulate expectations determined by mostly ideological preferences of the respective parties as suggested by Boix (1998).

2.2.1 Hypothesis I: Market-Friendly Policies

On a very general note, the juxtaposition of state and market is often used interchangeably with the juxtaposition of being (economically) left- or right-wing. Following Boix (1998), economically right-wing parties consider market-friendly policies to be the most efficient way to foster economic growth. Private provision of capital is, thus, better guaranteed by providing suitable economic conditions, keeping taxes low and reducing administrative burden. Contrary to interventionist investment-related policies, deregulatory measures are expected to show immediate and guaranteed beneficial effects for businesses. Keeping electoral considerations in mind, the class cleavage proposes both an ideological as well as an organizational link between employees and left-wing parties and employers and right-wing parties (Lipset and Rokkan, 1967). It is expected that voters who command a high market income such as capital owners, self-employed and high-income earners prefer limitations regarding state interventionism (Beramendi et al., 2015). Following on from that, a positive relationship between economically right-wing stances and support for market-friendly deregulatory policies is suggested. Policies which regulate market practices and redistribute social risks are linked to labor-friendly left-wing economic policymaking, while policies which deregulate market practices are linked to capital-friendly right-wing economic policymaking. I, thus, hypothesize accordingly:

> **H.I:** ***The more economically right-wing a political party, the higher its support of market-friendly deregulatory policies.***

2.2.2 Hypothesis II: Business-Friendly Policies

There is a tendency to conceptualize state–market relationships on the economic left–right dimension from the perspective of social but not corporate welfare. In this regard, research follows the common equation of pro-capital with pro-market positions and pro-labor with pro-state stances. More state is considered beneficial for labor, and less state beneficial for capital. Interventionist business support, i.e. corporate welfare proposals, constitutes an exception to said mechanism.

While support policies for businesses can be aimed at decreasing market intervention through a reduction of administrative burden or a lowering of corporate taxes, i.e. deregulation, they can also be conceptualized to increase state influence via subsidies, R&D grants or investment bonuses, i.e. corporate welfare. Following on from this, it is not sufficient to argue that economically right-wing parties necessarily oppose interventionist practices, because there is a full range of interventionist policies targeted at serving corporate needs. It is, furthermore, inadequate to argue that economically left-wing parties necessarily oppose business-friendly measures, because they might similarly tackle socially undesirable market outcomes like unemployment.

In the realm of industrialization, a certain commitment to state intervention was evident across ideological lines (Polanyi, 1944). Tendencies to opt for market regulation are stronger with conservative and especially Christian democratic parties, while liberal parties are more reserved (Esping-Andersen, 1990; Kersbergen and Vis, 2014). Boix (1998) even argues that left-leaning parties are more likely to support pro-business interventionist policies than their right-leaning counterparts. Following Farnsworth (2013), both economically far-right and economically far-left parties are expected to be least likely to support corporate welfare. While parties rooted in classical liberal tradition position themselves in favor of market liberalization which contradicts state support for corporations, parties in socialist tradition prioritize market regulation, social welfare and support for state-owned corporations over private ones. Against this backdrop, the interventionist pro-state dimension of corporate welfare should be a favorable aspect for economically left-wing, but not economically right-wing parties, while the pro-business dimension of corporate welfare should be a favorable aspect for economically right-wing, but not economically left-wing parties.

Existing research on partisan differences in support for corporate welfare corroborate these expectations to some extent: Researchers have focused on privatization (Zohlnhöfer, Obinger and Wolf, 2008; Obinger, Schmitt and Zohlnhöfer, 2014) or state subsidies (Zahariadis, 2010; Schito, 2021). They have, furthermore, looked at combinations of corporate and social welfare proposals (Schmitt and Zohlnhöfer, 2019). All in all, scholarship has found conflicting evidence on the effect of left- and right-wing governments on support for interventionist practices. Empirical evidence suggests that left-wing governments pursue more interventionist practices than right-wing governments (Boix, 1998; Gingrich and Ansell, 2015). When it comes to subsidies, it is shown that left-wing governments are more likely to reduce subsidies in comparison to right-wing governments (Zohlnhöfer, F. Engler and Dümig, 2017). Since these studies mostly focus on mainstream-left and mainstream-right parties, relative unity of mainstream parties indicates the proposed curvilinear effect. While for parties located in the middle – mainstream-right and mainstream-left parties – it should be more feasible to combine pro-state and pro-business stances in promoting corporate welfare proposals, the dilemma between labor–capital and state–market relationships should be more severe for parties at the extremes. I, thus, hypothesize accordingly:

> **H.II:** ***The more extreme the position of the political party on the economic left-right scale, the lower the support of interventionist corporate welfare policies.***

3 The (Partisan) Politics Of Corporate Welfare

Section 2 centers around baseline assumptions on ideological drivers for partisan position-taking regarding corporate welfare and its differences to deregulatory policies. To what extent genuine ideological assumptions are shaped by electoral and macroeconomic setups remains unresolved. In addition, the relative importance of nation states, interest groups and businesses on their own and as drivers determining party positions is contested. Following on from that, Section 3.1 provides an overview of existing research on the role parties play in economic policymaking and drivers for partisan position-taking. Using the example of corporate welfare for small- and medium-sized enterprises and local businesses, I explain which considerations beyond economic right-left placement can be decisive for the parties' position-taking in Section 3.2. Thereby, I separate party-specific ideological and vote-seeking explanations from country-specific macroeconomic factors.

3.1 Role Of States, Parties, Interest Groups And Businesses

The analysis of macroeconomic policymaking is often detached from detailed accounts of the composition of governmental action. Comparative political economists have introduced so-called *supermodels*, "meta-analyses that causally link governance institutions to economic outcomes" (Schwartz and Tranøy, 2019, p. 26), through which state–market relations have been analyzed. In these *supermodels* the role of the state has been the central point of analysis. Consequently, it is argued that states do play a prime role in shaping economic outcomes. Macro-level models have explained economic outcomes through demand-centered state-planning (Shonfield, 1976) or (neo-)corporatist configurations (Hirsch and Goldthrope, 1978; P. A. Hall and Franzese, 1998). Micro-level approaches which are mostly linked to the *Varieties of Capitalism* literature introduced by P. A. Hall and Soskice (2001) link national economic growth strategies to firm-centered institutional configurations. They argue that "(institutional) structure conditions (corporate) strategy" (P. A. Hall and Soskice, 2001, p. 15). In recent years, macroeconomic demand-centered approaches have re-entered the scholarly discourse (Baccaro and Pontusson, 2016).

At the same time, there has been a broad debate on whether nation states' influence in economic policymaking has been limited in the realm of both political and economic globalization. Mair

(2013) argues that the increasing power of supranational institutions and global markets reduces the policy space of national actors. National actors are expected to implement policies which follow transnational imperatives (Streeck, 2015). In a similar vein, businesses have established their role as transnational actors. This is furthermore accelerated as businesses redefine their organizational structure as multinational corporations (Babic, Fichtner and Heemskerk, 2017). Against this backdrop, researchers have argued that the power of nation states in globalized economic policymaking is decreasing (Strange, 1991; Robinson and Harris, 2000; Mair, 2013; Streeck, 2015). One consequence of this development, primarily established by liberalization theory, is the convergence of economic systems and thus the greater similarity of national economic policy agendas (Howell, 2003; Glyn, 2007).

Opposing notions of convergence, Baccaro and Pontusson (2016) have most prominently elaborated on the theory of country-specific growth models. Following this strand of research, it is argued that even if both international and transnational players are shaping national economies, economic policymaking is still sensitive to different party- and country-specific configurations suggesting policy profiles that go beyond the convergence hypothesis (Thelen, 2012; Beramendi, 2015; P. A. Hall, 2020). In reference to Beramendi et al. (2015) who suggest that political parties – bound by institutional legacies and previous policy decisions – position themselves according to preferences in the electorate, Baccaro and Pontusson (2022) argue that macroeconomic configurations should not be exclusively understood as limitations to electoral strategies, but as guidelines which are proactively reproduced by partisan support coalitions. But Baccaro and Pontusson (2022) not only highlight the role of political parties in shaping national growth models, they similarly emphasize the importance of producer group politics. According to them, sectors which play a critical part in the national growth strategy also enjoy a privileged position when it comes to employer and employee representation. Above all, both ideological as well as personnel links between political parties and interest groups should not be underestimated (Otjes and Rasmussen, 2017; Ennser-Jedenastik, 2017).

Following Culpepper (2010) and his idea of *Quiet Politics*, economic policymaking is increasingly taking place on the political backstage. There has been a broad debate on whether business enjoys a comparative advantage in enforcing its political demands that goes beyond power struggles in corporatist arrangements. Scholars on political representation have, for example, argued that political personnel is mostly descriptively linked to capital and thus more willing to represent business' interests (Elkjær and Klitgaard, 2021). It is argued that professional links and shared networks between business and politics foster greater exchange of favors and common views (R. L. Hall and Deardorff, 2006; Ansolabehere, Figueiredo and Snyder Jr, 2013). In a similar vein, corporations aim to influence policymaking through financing political campaigns (Barber, 2016; Canes-Wrone and Gibson, 2019; Fouirnaies and Fowler, 2022). Next to instrumental business power which includes the above-mentioned financial or personal linkages between states and corporations, Culpepper (2010) has introduced his conceptualization of structural business power which goes beyond threats of business exit or disinvestment (Lindblom, 1977) and highlights mutual dependence between states and businesses.

The idea of *Quiet Politics* introduced by Culpepper (2010) builds on the premise that voters do not pay much attention to corporate politics. The empirical investigation, furthermore, suggests that business power is strong when political salience is down. Consequently, it is argued that "Managerial groups have tools and resources that allow them to dominate fights in low salience domains" (Culpepper, 2010, p. 178). Against this backdrop, both the privileged position of parties and the existence of formal institutional decision rules are questioned. Building on work by Culpepper (2010), Bohle and Regan (2021) argue that certain policy fields are structurally linked to a specific arena of policymaking. While issues such as income policies and competitiveness are taking place in the realm of social partner bargaining, welfare and fiscal policies are part of partisan contestation. Industrial policies such as R&D, technology investment incentives or corporate tax are produced in an arena of private interest governance. Following on from that, one should rightfully conclude that some economic policy issues are more likely to be discussed, negotiated and, thus, shaped by political parties than others. In comparison to traditional redistributional policies such as social welfare or fiscal policy programs, arrangements which are more specifically targeted at corporate needs are not primarily associated with the electoral arena. With corporations using their lobbying power and state–business deals taking place on the political backstage, actual policy output with regards to corporate policies might deviate distinctly from the pledges office-seeking political parties propose. Although political parties might be rooting for support of local SMEs, larger corporations can use their higher levels of business power to lobby for more support (or less retrenchment) (Culpepper, 2015).

Following on from that, Figure 2 depicts a conceptual mapping of how political parties generate their positions in economic policymaking. Next to legal and institutional configurations that form the basis of business activity, political parties have different policies at their disposal with which they can (potentially) shape economic competition and foster economic growth. In this regard, I differentiate between two driving forces for partisan position-taking: party-specific ideological and electoral considerations as well as country-specific macroeconomic setups.

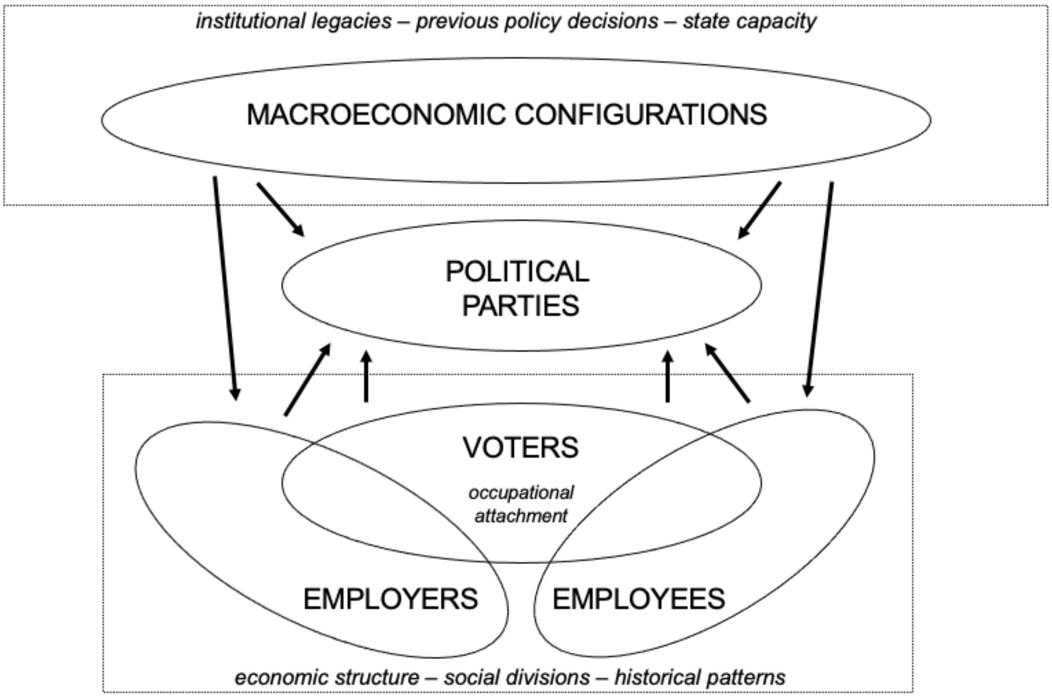

Figure 2: Conceptualization - Partisan Position-Taking in Economic Policymaking

First, it is expected that parties position themselves in reference to their voters' preferences in general and employers' as well as employees' preferences in particular. Voters' preferences on economic policymaking are, on the one hand, linked to their occupational situation as employers or employees. As support for business can benefit both labor and capital, parties' positions are not only a function of employers' but also employees' interests. On the other hand, voters' preferences on business politics go beyond their occupational cost–benefit calculations. As cleavage theory suggests, voters' preferences are a result of group attachments and value orientations and are embedded in old and new economic structures and social divisions (Lipset and Rokkan, 1967). With emphasis on the multidimensional nature of politics in advanced capitalism, it is, thus, suggested that political parties position themselves based on both socioeconomic and sociocultural considerations (Häusermann, 2018). Employers and employees are not only represented by political parties through the electoral link. First of all, both capital and labor are attached to interest groups that intend to influence political parties' policy profiles. In addition, employers use direct channels of influence and exercise both their instrumental and structural business power (Culpepper, 2015). While these are most prominently used by business and state elites to negotiate state–business deals in informal governance spaces, the respective channels can also be activated to shape the positioning of political parties.

Second, macroeconomic configurations represent important guidelines that not only interfere with political parties' policy profiles directly but also predefine employers' and employees' stances (Baccaro and Pontusson, 2019). Consequently, country-specific macroeconomic setups translate into between-country variation in partisan corporate welfare accounts, while differences between parties driven by both ideological and electoral incentives are mitigated. Building on work by Culpepper (2010) and Bohle and Regan (2021), I argue that certain policy fields are structurally linked to a specific arena of policymaking. While issues such as income policies and competitiveness are taking place in the realm of social partner bargaining, welfare and fiscal policies are part of partisan contestation. Industrial policies such as R&D, technology investment incentives or corporate tax are produced in an arena of private interest governance. The position-taking of political parties is, thus, also embedded in institutional legacies and dependent on previous policy decisions that have shaped macroeconomic setups (Beramendi, 2015).

3.2 Re-Shifting Between Business Types: Party- And Country-Specific Explanations

Empirical evidence on the modernization of social welfare does not necessarily suggest a binary opposition between welfare state retrenchment and expansion, but that relative emphasis on specific policy fields and policy types (Beramendi et al., 2015) varies with regard to both ideological and purely electoral considerations. In a similar vein, different types of companies have different needs throughout the business cycle that can be satisfied by the support of different corporate welfare policies. The respective policies can be limited to certain companies, they can bring companies different degrees of advantages, but also disadvantages (Farnsworth, 2012; Farnsworth, 2013). There are various ways to group corporate welfare proposals. In this context, I choose to make theoretical assumptions for two types of companies: small- and medium-sized businesses as well as local businesses. Even though this focus can only examine a section of corporate welfare measures in more detail, it will enable me to gain some initial impressions of specific corporate welfare programs and the explanatory power of party- and country-specific drivers.

3.2.1 Hypotheses III-V: Party-Specific Considerations

Why should parties oppose some, but support other corporate welfare measures? First, it is important to consider material self-interest of respective voter groups. Depending on the occupational situation, voters benefit from an expansion or retrenchment of corporate welfare targeted at specific business types. Changes in the occupational structure have cultivated a new heterogeneous middle class which has distinct cultural (Kitschelt and Rehm, 2014) but also redistributional preferences (Häusermann and Kriesi, 2015). F. Engler and Zohlnhöfer (2019) have investigated corporate welfare stances of left parties considering their electoral appeal to both socio-cultural professional and working-class voters suggesting that left parties recalibrate their policy profile to align with middle-class preferences. They provide evidence that left parties have expanded their platform on subsidies to attract new voter groups.

Secondly, a growing body of research suggests that redistributional preferences go far beyond material considerations (Kriesi et al., 2006; Häusermann and Kriesi, 2015; Bornschier, Häusermann et al., 2021). The emergence and consolidation of cleavages – and thus also the opposition of labor and capital – is based on normative struggles deliberating fundamental issues of morals and community norms (Lipset and Rokkan, 1967). Against this backdrop, recent scholarship has emphasized the importance of new emerging cultural, identity-based issues creating a multidimensional political space. Several authors have furthermore argued that the electoral rise of radical right parties has re-arranged electoral competition in general (Oesch and Rennwald,

2018) and welfare support coalitions in particular (Gingrich and Häusermann, 2015). In recent years, a broad body of research argues in favor of a globalization cleavage (Kriesi et al., 2006; De Vries, 2018; Hooghe and Marks, 2018). While scholarship hints towards a predominance of cultural considerations of globalization both in voters' preferences and partisan platforms (Margalit, 2012; Bornschier and Kriesi, 2012) focusing on immigration and political integration, research on policy responses to increased economic competition occupies an important place in the scholarly debate (Walter, 2010; Rommel and Walter, 2018). The multidimensionality of the political space should, thus, not (only) be conceptualized as new cross-cutting postmaterial issues added to partisan contestation around economic concerns, but as socio-economic politics itself being driven by multidimensional considerations (Ennser-Jedenastik, 2016; Otjes, Ivaldi et al., 2018). In this regard, scholars observe growing backlash against economic globalization (Walter, 2021; Mansfield, Milner and Rudra, 2021) as well as the importance of sovereignist claims which translate into higher levels of economic nationalism (Colantone and Stanig, 2019; Ausserladscheider, 2019) uniting economically left- and right-leaning constituencies (Rodrik, 2018). Otjes, Ivaldi et al. (2018), for example, suggest that populist radical right parties translate their nativist core ideology in promoting protectionist policy positions. In a similar vein, Mazzoleni and Ivaldi (2022) argue that these parties position themselves in favor of economic populism taking back control under the realm of perceived sovereignty loss and prioritizing local small- and medium-sized enterprises in comparison to economic elites.

Several scholars have, finally, argued that voters' opinions on social policy programs are shaped by deservingness criteria (Oorschot, 2006; Waal et al., 2010) which are picked up by political parties (Ennser-Jedenastik, 2021). Deservingness perceptions are shown to influence the evaluation of policy proposals rather easily, resulting in divergence from voters' overall welfare attitudes (Petersen et al., 2011; Cavaillé and Trump, 2015). With regard to social policy measures, Oorschot (2006) points to a hierarchy varying between those who are particularly eligible, such as the elderly or families, to migrants, who are considered least eligible.

Small- and medium-sized enterprises In an Eurobarometer survey from 2016, respondents were asked about their feelings towards small- and medium-sized and large companies. Specifically, they were asked whether they associate the respective business type with something very positive, fairly positive, fairly negative, or very negative (EuropeanCommission, 2020). As listed in Table 1, 86.3% of the respondents associate SMEs with something very or fairly positive. In comparison, 62% do so when it comes to large companies. Figure 3 depicts respondents' attitudes according to their right-left self-assessment. The overall height of the bar plots visualizes the relative share of the assessment, the colors depict the relative share of each ideological category ranging from extreme left (1) to extreme right (10) on the y-axis. Figure 3 not only shows that SMEs are perceived more positively than large companies, it furthermore illustrates that both positive attitudes toward SMEs and negative attitudes toward large corporations vary little across respondents' ideological placement.

Business Type	Attitudes	Percentage
Large company	Very positive	14.8
	Fairly positive	47.2
	Fairly negative	29.7
	Very negative	8.3
Small- and medium-sized company	Very positive	29.1
	Fairly positive	57.2
	Fairly negative	11.0
	Very negative	2.8

Table 1: Public Opinion - Attitudes Towards Business Types (EuropeanCommission, 2020)

Public opinion suggests comparatively high popularity levels of small- and medium-sized businesses across ideological lines. Although precise guidelines to define SMEs based on the number of employees and economic performance exist[1], the turnover and profit figures of SMEs still vary enormously. Therefore, the range of voter groups that can be addressed with this label is rather broad. Speaking in occupational class terms, the target group can range from start-up businesses and one-person companies to members of the petty bourgeoisie, technical experts, and managers. Against this backdrop, I argue that electoral considerations are an important driver of SME-targeted partisan position-taking. Although Häusermann and Kriesi (2015) have shown that these constituencies position themselves in favor of market liberalism, they are unlikely to abandon support that is specifically targeted to benefit their businesses. Since most of these electoral groups are relevant for at least some political parties (Oesch and Rennwald, 2018) and

[1]According to the European Commission, SMEs have less than 250 employees and a maximum of €50m in turnover or of €43m balance sheet total (EuropeanCommission, 2003).

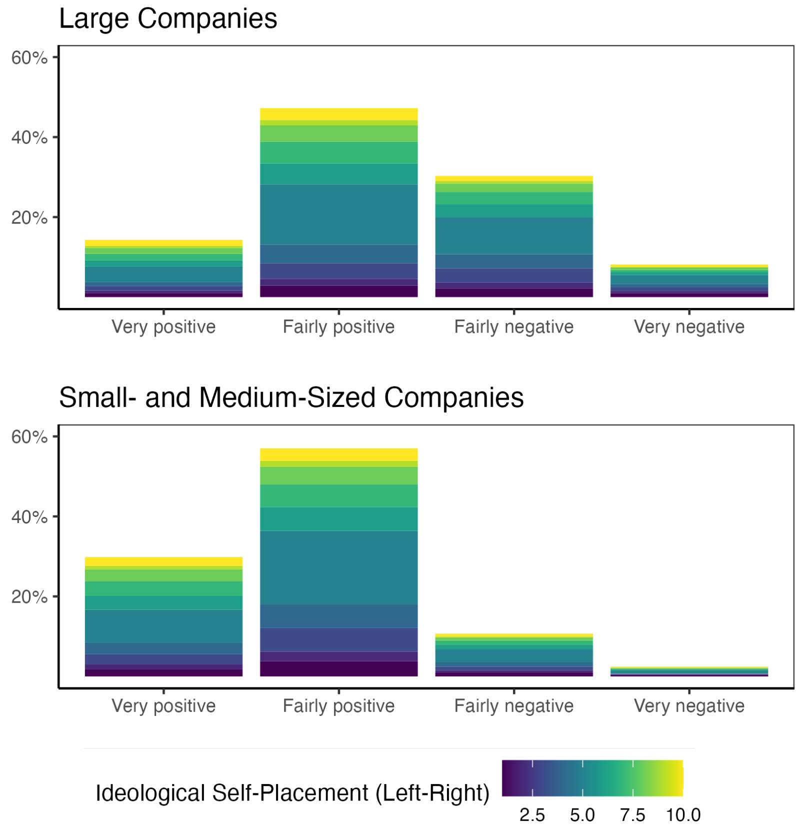

Figure 3: Public Opinion - Attitudes Towards Business Types across Left-Right Self-Placement (EuropeanCommission, 2020)

SMEs enjoy high popularity levels, all parties should be incentivized to support the respective businesses. Conversely, this implies that going against support for SMEs or in favor of support for large corporations is rather risky. In comparison to small- and medium-sized corporations, big companies enjoy lower support levels across ideological lines (See Figure 3). Following on from that, one can assume that large companies are considered less deserving in comparison to small- and medium-sized companies. In view of the traditional class cleavage, one can argue that large companies are understood to be more specifically linked to the interests of capital and are, thus, in opposition to labor's interest. As a result, it seems likely that when targeted at SMEs corporate welfare translates into a valence issue on which socio-economic ideological considerations as made explicit in Section 2 are mitigated. Taking high popularity levels into account, it is expected that parties at the ideological fringes show similar levels of support for

SMEs as parties located at the ideological center. I, therefore, hypothesize accordingly:

H.III: ***Parties' economic left-right position does not influence partisan support of interventionist corporate welfare policies targeted at small- and medium-sized businesses.***

Local companies Interventionist policy programs are often considered to support national companies to succeed in increased competition. But corporate welfare is also a tool that can attract foreign companies to invest in a respective country (Bohle and Regan, 2021). As national and foreign corporations are in direct competition, local players are expected to demand privileged treatment by national actors. Although multi-national companies (MNCs) might still have access to broad government support facilitated through their business power, these state–business deals are not negotiated in the electoral arena (Culpepper, 2010). Against this backdrop of split business interests, it is assumed that political parties are incentivized to take sides. In this regard, Burgoon and Schakel (2022) differentiate between 'embedded liberalism' and 'embedded nationalism'. Under the label of 'embedded liberalism' political parties propose welfare state provisions to safeguard businesses from increasing globalization risks, while still supporting trade liberalism (Rodrik, 2018). Following the idea of 'embedded nationalism', parties focus on isolationist proposals regaining sovereignty (Mazzoleni and Ivaldi, 2022; Burgoon and Schakel, 2022). But support for local businesses does not need to align with an emphasis to compensate but can similarly be conceptualized as a measure to activate. Hence, corporate welfare targeted at local businesses can serve either an investment or a compensation strategy. With the first strategy companies are prepared to participate in international markets by providing enabling resources, with the latter companies are protected from international competition in a rather decommodifying sense. In either case – and thus irrespective of a general market liberal or protectionist positioning – support for measures that benefit national corporations seems to be an appropriate strategy. I, thus, hypothesize accordingly:

H.IV: ***Parties' economic left-right position does not influence partisan support of interventionist corporate welfare policies targeted at local businesses.***

At the same time, existing evidence on the cosmopolitan-parochial divide suggests that both radical-right and radical-left parties are particularly critical towards economic globalization, which is reflected in their economic policy agenda (Kriesi et al., 2006; Dancygier and Walter, 2015; Hooghe and Marks, 2018; De Vries, 2018). Following on from that, as for social welfare proposals, partisan contestation around corporate welfare targeted at local companies might be triggered by considerations that go beyond economic left-right placement (Häusermann and Kriesi, 2015; Ennser-Jedenastik, 2016; Otjes, Ivaldi et al., 2018). Existing research on the multidimensional nature of economic policymaking has mostly focused on populist radical right parties (PPRPs). It suggests that, while PRRP's general takes on economic interventionism vary, they support proposals that aligned with their nativist core ideology (Otjes, Ivaldi et al., 2018); or as Mudde (2007, p. 125) puts their slogan "The economy should be at the service of the nation and only the nation". Various studies have corroborated this theoretical mechanism showing that PRRPs emphasize sovereign claims protecting national interests (Ennser-Jedenastik, 2016; Otjes, Ivaldi et al., 2018; Enggist and Pinggera, 2021; Mazzoleni and Ivaldi, 2022). I, thus, hypothesize accordingly:

> **H.V:** ***Nationalist parties show higher levels of partisan support of interventionist corporate welfare policies targeted at local businesses than other parties.***

3.2.2 Hypotheses VI-VII: Country-Specific Considerations

As reviewed in Section 3.1, scholarship has questioned the emphasis of ideological as well as electoral considerations when it comes to political parties' corporate welfare stances (Bohle and Regan, 2021). In their conceptualization of *Constrained Partisanship*, Beramendi et al. (2015) argue that political parties' social policy stances are subject to existing institutional settings and previous policy decisions. Baccaro, Blyth and Pontusson (forthcoming) go one step further and highlight the importance of macroeconomic configurations which are understood to be the baseline of partisan macroeconomic policymaking. According to Baccaro and Pontusson (2022) macroeconomic setups should not be exclusively understood as limitations to electoral strategies, but as guidelines which are proactively reproduced by support coalitions. Policy choices are conditional on countries' growth strategy. As the distribution of corporate welfare is constitutive of national growth perspectives, macroeconomic configurations that shape the respective economy are expected to predefine policy options from which political parties are able to choose. This conceptualization, thus, suggests that political parties' stances are shaped by country-specific macroeconomic considerations which are likely to go beyond ideological lines. Under the framework of *national interest*, it is suggested that measures which support the country-specific growth model enjoy great popular approval. Following on from that, empirical evidence suggests that individuals are willing to cut back on personal financial benefits to support policies that align with goals of the national growth regime (Baccaro and Neimanns, 2022). In this regard, the authors argue that sector-based interests unite workers and their unions as well as corporations and their associations. Following their Gramscian conceptualization of social blocs of growth models, Baccaro and Pontusson (2019) argue that sectors which are highly valuable for the national economic success enjoy a privileged position in policymaking.

Small- and medium-sized companies Against this backdrop, one can anticipate country-specific differences in partisan politics of recalibration of corporate welfare. If big corporations are specifically important to the countries' economic success, parties' emphasis on SMEs should be less pronounced. Against this backdrop, one should observe country-specific differences in support levels for SMEs that are subject to the role they play in the respective economy. I, thus, hypothesize accordingly:

> **H.VI:** ***A higher contribution of large corporations to national growth decreases partisan support for corporate welfare targeted at small- and medium-sized businesses.***

Local companies In a similar vein, if one country's economic growth model specifically benefits from international trade, the emphasis on corporate welfare for local businesses should be mitigated for all parties. In this regard, again, it is expected that the ideologically and electorally driven targeting of local businesses when talking about corporate welfare should vary between countries. If national economies are strongly integrated in globalized markets and foreign companies are a great driver for national economic growth, then the strategic focus support for local businesses seems less plausible across parties. Following on from that, I hypothesize accordingly:

> **H.VII:** ***A higher contribution of foreign corporations to national growth decreases partisan support for corporate welfare targeted at local businesses.***

4 Research Design

To test the hypotheses introduced in Section 2 and Section 3, I follow a quantitative text-as-data approach. This section covers specifications on the research design. As a first step, I will elaborate on the case selection in Section 4.1. Since I have formulated hypotheses that call for variation on the party-level and on the country-level, case selection requires prior inspection of national party systems and macroeconomic configurations. As a second step, I will specify the operationalization of the dependent and independent variables in Section 4.2. I will, finally, outline the model specifications in Section 4.3.

4.1 Case Selection

Following Seawright and Gerring (2008), case selection is aimed to result in a representative sample with variation on characteristics which are of theoretical interest. Whether the respective cases chosen tick those boxes depends on the hypotheses one intends to test. As I have elaborated in Section 3, the hypotheses are located both at the party- as well as at the country-level. As a consequence, in order to test the theoretically established relationship, I follow the *diverse case* method and choose a set of cases which represents the respective combination of dependent and independent variables on the country- and party-level (Seawright and Gerring, 2008). Since the aim of this thesis is to explain politics of corporate welfare from a cross-country perspective, generalizable results require variation on the country- and the party-level resulting in a large-N dataset.

At the country-level, I formulate the expectation that parties' positions on corporate welfare targeted at specific business types vary based on the countries' macroeconomic embedding. Table 2 lists all countries included in the sample together with years of the election for which the manifesto under investigation has been issued. Due to the different frequency of elections and the different availability of macroeconomic data, the time points included in the analysis vary from country to country. Considering the potential changes in state–business relations that are initiated through the economic consequences of the COVID-19 outbreak, I only include manifestos prior to 2020 (Bridgman et al., 2021).

At the party-level, I formulate the expectation that parties' position on corporate welfare

Country	**Election Year**	**Country**	**Election Year**
Austria	2013, 2017	Ireland	2011, 2016
Belgium	2010, 2014, 2019	Italy	2013, 2018
Bulgaria	2013, 2014, 2017	Latvia	2011, 2014, 2018
Croatia	2011, 2015, 2016	Luxembourg	2009, 2013
Cyprus	2011, 2016	Lithuania	2012, 2016
Czech Republic	2010, 2013, 2017	Netherlands	2010, 2012, 2017
Denmark	2015, 2019	Poland	2011, 2015, 2019
Estonia	2011, 2015, 2019	Romania	2012, 2016
Finland	2011, 2015, 2019	Slovakia	2010, 2012, 2016
France	2012, 2017	Slovenia	2011, 2014, 2018
Germany	2013, 2017	Spain	2011, 2015, 2016, 2019
Greece	2012, 2015	Sweden	2010, 2014, 2018
Hungary	2010, 2014, 2016, 2018		

Table 2: Case Selection - Country-Level

varies according to ideological placement. This is why the sample must include a meaningful variation of party families that were up for election in the countries and years under investigation. Table A.1 in the appendix lists the set of parties which are included in the analysis. The choice of parties is based on a diversification of party families. The selection of parties provides a variation of *Christian Democrats*, *Liberals* and *Conservatives*, *Social Democrats*, *Ecologists* and *Socialists*. The categorization of party families is retrieved from the *Comparative Manifesto Project* database (Volkens, Burst, Krause, Lehmann, Theres Matthieß et al., 2021).

4.2 Data

To answer the research question, I draw on three different data sources. To begin with, I need information on parties' stances on economic policymaking and their emphasis on different business types. This information is provided by parties' election manifestos. Additionally, information on parties' overall economic left-right position is required. For that, I refer to country-expert surveys. Lastly, it is necessary to include country-specific data on the macroeconomic configuration of the respective national economy. Hence, necessary data is located at the election-, the party- and the country-level. This results in an unbalanced panel of 255 parties in 25 countries with irregular time intervals (party-election observations). Before introducing the operationalization of the dependent and independent variables one by one, I will explain how I detect parties' emphasis on different economic policy programs and reference to specific business types.

4.2.1 Detecting Manifesto Content with a Dictionary-Approach

To gather insights into political parties' stances on economic policymaking, I resort to partisan statements in election manifestos. Election manifestos are a common resource to examine party positions on a wide variety of issues, especially in light of campaign activity. On the one hand, they provide a broad overview of the positions of political parties, and, on the other, they reveal strategic priorities in communicating with voters and the party base (Dolezal et al., 2016). Following salience theories' premise that political parties put emphasis on issues that are ideologically close to them and that are advantageous in gaining votes, it is expected that parties strategically prioritize certain aspects of economic policymaking to express their agenda and that parties' position on policy programs to support businesses can be derived from looking into the economic policy claims they highlight and the business types they target (Dolezal et al., 2014). In short, political parties have to prioritize when it comes to conflicting interests on interventionist versus non-interventionist programs, regulatory or deregulatory policies and on policies targeted at different business types due to limited space and time in electoral campaigning (Farnsworth, 2012). Against this backdrop, the hypotheses are tested on a sample of manifesto statements on economic policymaking. To analyze the specific content of the manifesto statements that include deregulatory and corporate welfare statements, I use an iterative automated dictionary-approach.

As a first step, I subset a corpus of manifesto statements that deal with economic policymaking. For that purpose, I draw on existing coding of party manifestos in the *Comparative Manifesto Project* dataset. This dataset contains election programs broken down into individual statements to which content codes are assigned. I limit my corpus to statements that have been coded with *CMP* issue categories from the *Economy*-domain. This category scheme then forms the basis of a detailed automatic recoding. In order to efficiently apply a dictionary, it is necessary, as a second step, to translate the manifesto statements to a common language which is, in this case, English. This is done via the *Google Translate* API. This API can automatically detect the original language and translate the text variable which contains the manifesto statements. Afterward, the filtered text passages are tokenized, stop words and punctuation are removed. As a third step, the specific messages of the economic policy programs are detected via originally composed dictionaries.[2] Dictionaries include distinct (combinations of) tokens which indicate support for the respective policies. These tokens have been selected through an iterative process of hand-coding and dictionary refining which both have been based on the definitional remarks presented in Section 2. Table 3 lists the dictionaries that have been applied. The search terms are fully listed in Figure A.1 and A.2 the appendix. The *Deregulatory*-dictionary contains all search terms that indicate support for deregulatory policies. It traces down support for free market, a down-sizing of state interventionism and bureaucratic burden, simplification of administration and a competitive low tax environment. The *Corporate*-dictionary contains all search terms that indicate support for corporate welfare. It traces down statements in which references to tax discounts, bonuses, business incentives and state support through lending, payments, investments or benefits are made. The *Companies*-dictionary additionally defines terms that indicate targeting at companies. The *Small*-dictionary contains terms that indicate targeting of small- and medium-sized companies, while the *Local*-dictionary includes terms that indicate targeting of local companies.

Dictionary	**Content**
Deregulatory	Reference to non-interventionist policy programs that support businesses.
Corporate	Reference to interventionist policy programs that support businesses.
Companies	Reference to businesses.
Small	Reference to small- and medium-sized businesses.
Local	Reference to local businesses.

Table 3: Dependent Variables - Overview of Dictionaries

After applying the *Deregulatory*-dictionary as well as the *Corporate*-dictionary to the manifesto corpus, I draw on existing *CMP* codings to reduce false positives. To avoid false positives, not all dictionary hits are automatically counted as deregulatory or corporate welfare statements. This allows, as effectively as possible, to identify all relevant statements, while excluding the ones that do not contain support for corporations. Table 4 lists which dictionaries are applied to statements

[2] Ideally, the dictionary would be applied on the natural sentences and not on the quasi-sentences provided by the *Comparative Manifesto Project*. Especially when looking at targeted corporate welfare statements it is quite likely that the co-occurrence of corporate welfare support and business type support is not captured in one quasi-sentence but broken down to two or more quasi-sentences. Unfortunately, natural sentences of which the quasi-sentences originate are not provided by the *Comparative Manifesto Project* and cannot be reconstructed without major information loss retrieved from the *CMP* codings. Against this backdrop, I decided to work with the quasi-sentences provided by the *Comparative Manifesto Project*. It is, thus, likely that the actual share of targeted statements exceeds presented numbers in this thesis. It is, at the same time, not very likely that the measurement error varies structurally across parties and countries.

coded with the respective *CMP* categories and its coding instructions (Volkens, Burst, Krause, Lehmann, Matthieß et al., 2021). Ten analytical categories potentially contain statements with which support for deregulatory and corporate welfare policies is shown.

Category	**Content**	**Dictionary**
Free Market Economy	Favourable mentions of the free market and free market capitalism as an economic model.	Deregulatory
Incentives: Positive	Favourable mentions of supply side oriented economic policies (assistance to businesses rather than consumers).	Deregulatory, Corporate
Market Regulation	Support for policies designed to create a fair and open economic market.	Corporate
Economic Planning	Favourable mentions of long-standing economic planning by the government	Corporate
Protectionism: Positive	Favourable mentions of extending or maintaining the protection of internal markets (by the manifesto or other countries).	Corporate
Protectionism: Negative	Support for the concept of free trade and open markets. Call for abolishing all means and market protection (in the manifesto or any other country).	Deregulatory
Economic Growth: Positive	The paradigm of economic growth.	Deregulatory, Corporate
Technology and Infrastructure: Positive	Importance of modernisation of industry and updated methods of transport and communication.	Deregulatory+ Companies, Corporate+ Companies
Economic Orthodoxy	Need for economically healthy government policymaking.	Deregulatory
Sustainability: Positive	Call for sustainable economic development. Opposition to growth that causes environmental or societal harm.	Deregulatory+ Companies, Corporate+ Companies

Table 4: Dependent Variables - Dictionary Application in Selected *CMP* Categories (Volkens, Burst, Krause, Lehmann, Matthieß et al., 2021)

The *Free Market Economy* category was selected because it includes statements that indicate deregulation. The *Incentives: Positive* category includes both interventionist and non-interventionist business support measures. It, thus, contains subsidies and other non-monetary government support for businesses, which have been defined as corporate welfare measures. It, furthermore, compromises endorsement of general tax cuts or limitation of administrative burden, hence deregulation measures. The *Market Regulation* category contains protection of small businesses, for example via interventionist support practices. The *Economic Planning* category includes support for long-term economic planning, hence interventionist long-term investment plans. The *Positive: Protectionism* category contains protective measures that safeguard businesses from international competition – some of which can potentially be classified as corporate welfare. The *Negative: Protectionism* category contains measures that guarantee deregulated free markets. The *Economic Orthodoxy* category includes economic policies that are budget-friendly, such as decrease of public administration. In the *Economic Growth: Positive* category one can find both links to deregulatory and corporate welfare practices as growth strategies. The *Technology and Infrastructure: Positive* category includes calls for state investments in or less bureaucratic access to infrastructure for businesses which can be part of both deregulatory or corporate welfare measures. Interventionist and non-interventionist support for companies in the course of the ecological transformation can be found in the *Sustainability: Positive* category. The dictionary hits per *CMP* category are listed in Table A.2 in the appendix.

4.2.2 Dependent Variables

The hypotheses introduced in Section 2 and 3 refer to four dependent variables: support for market-friendly deregulatory policies, support for business-friendly corporate welfare measures as well as support or corporate welfare proposals targeted at small- and medium-sized companies and local businesses. In all cases, I operationalize support for the respective policies via the share of statements indicating this support of all statements on economic policymaking. The operationalization, thus, builds on the assumption that parties which attribute more space of their economic policy agenda to the respective measures show higher support levels than parties which focus on other policy programs.

Support for Deregulatory Policies Support for deregulation is operationalized as the proportion of statements in support of deregulatory policies of all statements on economic policymaking per party manifesto. As I am interested in political proposals that specifically support businesses, I apply a comparatively rigorous operationalization of support for deregulation. I do not count every manifesto statement that falls under a *CMP* pro-market category as deregulatory in nature, but only include statements that more specifically address market-friendly change in conditions under which companies operate. The search terms applied in the dictionary can be found in the appendix in Figure A.1. As listed in Table 4, statements from the categories *Free Market Economy*, *Incentives: Positive*, *Protectionism: Negative*, *Economic Orthodoxy* and *Economic Growth: Positive* are classified as business-supportive non-interventionist measures if they contain terms from the *Deregulatory*-dictionary. In addition, support for deregulatory policies is also counted if statements from the *Technology and Infrastructure: Positive* and the *Sustainability: Positive* category contain search terms from the *Deregulatory*-dictionary as well as the *Companies*-dictionary. This restriction is justified since both categories are very broad and include both measures targeted at individuals as well as businesses. Table 5 lists the average absolute number of statements and shares of economic policy related statements per manifesto in which reference to deregulatory proposals is made. On average, in around 7.8% of the statements parties propose non-interventionist market-friendly measures to support businesses which corresponds to 46.6 statements in total. A standard deviation of 5.2% indicates great variation between manifestos.

Category	Per Manifesto	Min	Max	Mean	SD
Deregulatory Policies	Absolute	0	159	46.6	38.9
	Share	0%	100%	7.8%	5.2%
Corporate Welfare Policies	Absolute	0	297	81.4	69.8
	Share	0%	50%	11.8%	4.9%

Table 5: Dependent Variables - Support for Deregulatory Policies, Support for Corporate Welfare Policies in Economic Policy Related Statements (Per Manifesto)

Support for Corporate Welfare Policies Support for corporate welfare is, again, operationalized as the proportion of statements that indicate support for corporate welfare proposals of all economic policymaking statements per manifesto. The operationalization of corporate welfare support and, thus, the compilation of the *Corporate*-dictionary is closely related to the definition of corporate welfare introduced in Section 2. Again, the detection of corporate welfare proposals is guided by existing *CMP* codings. Search terms can be found in the appendix in Figure A.2. As listed in Table 4, quasi-sentences that fall under the category *Incentives: Positive*, *Market Regulation*, *Economic Planning*, *Protectionism: Positive* and *Economic Growth: Positive* are classified as company-supporting interventionist measures if they contain terms of the *Corporate*-dictionary. Similar to the operationalization of deregulation support, text passages that fall under the categories *Technology and Infrastructure: Positive* and *Sustainability: Positive* are only classified as corporate welfare measures if they additionally have a hit in the *Companies*-dictionary. Table 5 lists the average absolute numbers and shares of statements in the economic policy agenda that contain corporate welfare proposals per manifesto. On average, around 11.8% of the economic policy agenda contains interventionist measures to support businesses which corresponds to around 81.4 statements in total. Similar to the distribution of deregulatory statements both the share as well as the absolute number of statements in which support for corporate welfare proposals is shown to vary greatly between manifestos.

Support for Corporate Welfare Policies Targeted at Business Types Similar to the operationalization of corporate and deregulatory policies, a dictionary-approach is used to localize manifesto statements that address small- and medium-sized businesses and/or local corporations. The respective search terms can be found in the appendix in Figure A.4 and A.5. Based on the indication of deregulatory and corporate welfare policies, I subset statements that similarly address the respective business types. Following on from that, I use the share of economic policy statements which contains support for corporate welfare targeted at small- and medium-sized businesses as well as the share of statements containing support for corporate welfare targeted at local businesses as additional dependent variables.

Category	**Per Manifesto**	**Min**	**Max**	**Mean**	**SD**
Small Businesses	Absolute	0	34	6.9	6.9
	Share	0%	25%	1.2%	1.1%
Local Businesses	Absolute	0	25	3.2	4.5
	Share	0%	12.5%	0.5%	0.8%

Table 6: Dependent Variables - Targeting of Small Businesses, Targeting of Local Businesses in Corporate Welfare Related Statements (Per Manifesto)

Table 6 lists descriptives of the remaining dependent variables. On average, 1.2% of the economic policy agenda refers to corporate welfare targeted at small- and medium-sized businesses, while 0.5% links to support for local businesses. Emphasis on targeted corporate welfare varies greatly between manifestos as suggested by the standard deviations. At this point, it is necessary to point to the low numbers of targeted corporate welfare. On the one hand, this suggests that appealing to different business types when addressing corporate welfare proposals in election manifestos seems not to be a common strategy of political parties. In addition, as I have already mentioned above, the low numbers might also be driven by the fact that dictionaries are not applied to natural but to quasi-sentences which reduces the likelihood of co-occurrence of corporate welfare support and appealing to different business types. Against this backdrop, it is important to treat conclusions drawn from the analyses regarding targeted corporate welfare with caution.

4.2.3 Independent Variables & Control Variables

As outlined in Sections 2 and 3, independent variables are located at the party-level, as well as at the country-level. In the multilevel models, I take country-specific confounding variables into account. Moreover, I add control variables located at the manifesto-level.

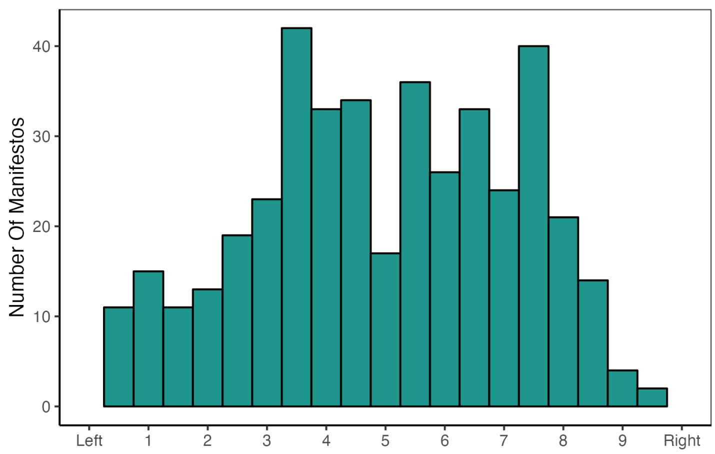

Figure 4: Independent Variables - Distribution of Economic Left-Right-Placement (Jolly et al., 2022)

Parties' Ideological Placement In order to test the first four hypotheses, information about parties' placement on the economic left-right scale is required. The *Chapel Hill Expert Survey* (*CHES*) includes programmatic information on the economic left-right placement which is provided by country experts (Jolly et al., 2022). The variable *lrecon* provides the average evaluation of country experts on parties' economic left-right position and ranges from 0 (economically far-left) to 10 (economically far-right). The expert surveys were conducted starting from 1999, with subsequent waves in 2002, 2006, 2010, 2014, 2019. Information on the economic left-right placement is linked to the election year closest to the expert evaluation. Figure 4 illustrates the distribution of manifestos along the economic left-right scale provided by the *Chapel Hill Expert Survey*. It shows higher numbers of manifestos from parties which are considered economically rather left-wing (values between 3.0 and 4.0) and parties which are considered economically rather right-wing (values between 7.0 and 8.0). The number of manifestos which have more extreme values is comparatively low, the same is the true regarding average expert placements in the middle (values around 5.0). All in all, there are comparable numbers of manifestos on the left and on the right side of the spectrum.

Nationalist Party In order to test the fifth hypothesis, I group parties according to their attachment to a party family. Information in this regard is, again, taken from the *Comparative Manifesto Project* dataset (Volkens, Burst, Krause, Lehmann, Theres Matthieß et al., 2021). To test whether support for corporate welfare targeted at local businesses is specifically pronounced with nationalist parties, I create a binary variable that indicates whether a political party is labeled as belonging to the *Nationalist* party family. Out of 419 manifestos which are part of the analysis, 55 are written by nationalist parties.

Macroeconomic Embedding The last two hypotheses introduced in Section 3 suggest that party positions are a function of the macroeconomic setup in the respective countries. More specifically, I look at the role both foreign as well as large corporations play in the national economy and how this influences parties' stances on benefiting the respective business types. Figure 5 maps data on the contribution of large companies in the respective national economy retrieved from the European Commission's Eurostat Platform (Eurostat, 2022c). It shows the average percentage of value added through business activities of large corporations, i.e. corporations with more than 250 employees, in the respective country as a share of the value added through all companies. Ireland (57.1%), Poland (49.0%) and Romania (48.4%) have the highest value added through large companies, while Greece (27.2%), Estonia (23.7%) and Cyprus (23.7%) have the lowest values. This measurement serves as an indicator for the economic relevance of a specific business size

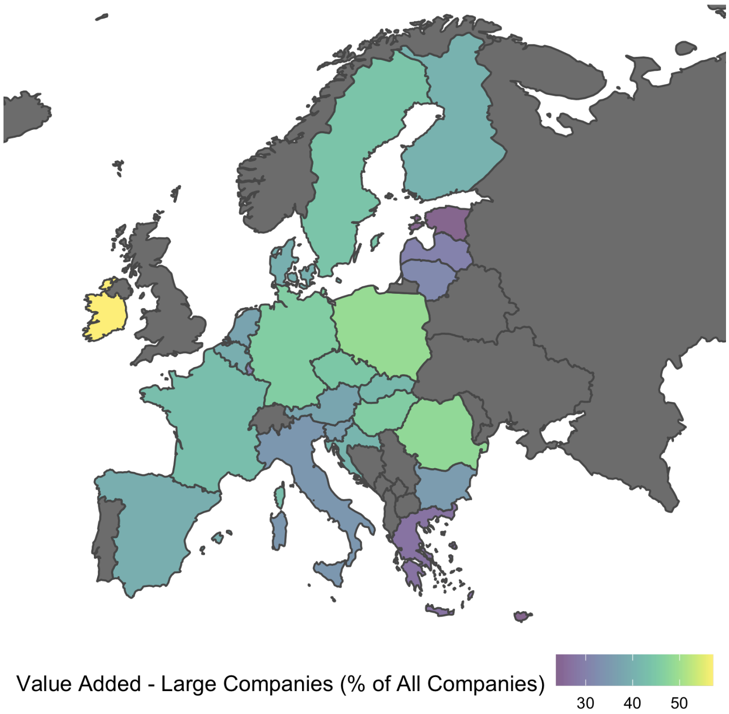

Figure 5: Independent Variables - Value Added Through Large Companies as Share of Value Added Through All Companies (Per Country, Average) (Eurostat, 2022c)

for the national economy. Figure 6 maps the importance of foreign companies for the respective national economies. More specifically, it measures value added through foreign companies as a share of all companies retrieved from the European Commission's Eurostat Platform (Eurostat, 2022a). This measurement serves as an indicator for the economic relevance of foreign-owned companies to the national economy. Ireland (58.6%), Hungary (50.4%) and Romania (44.3%) have the highest value added through foreign companies, while Greece (12.6%), Italy (15.4%) and Cyprus (12.0%) have the lowest values.

There is a moderate but highly significant positive correlation of 0.47 between value added through foreign and value added through large companies. This seems reasonable considering that the influence of foreign companies is likely to be driven by MNCs with high numbers of employees. Since variation within countries across time is negligible, I use country means treating both importance of large and foreign companies as time-invariant across years of observation without risking the averaging out of within-between effects (Bell, Fairbrother and Jones, 2019).

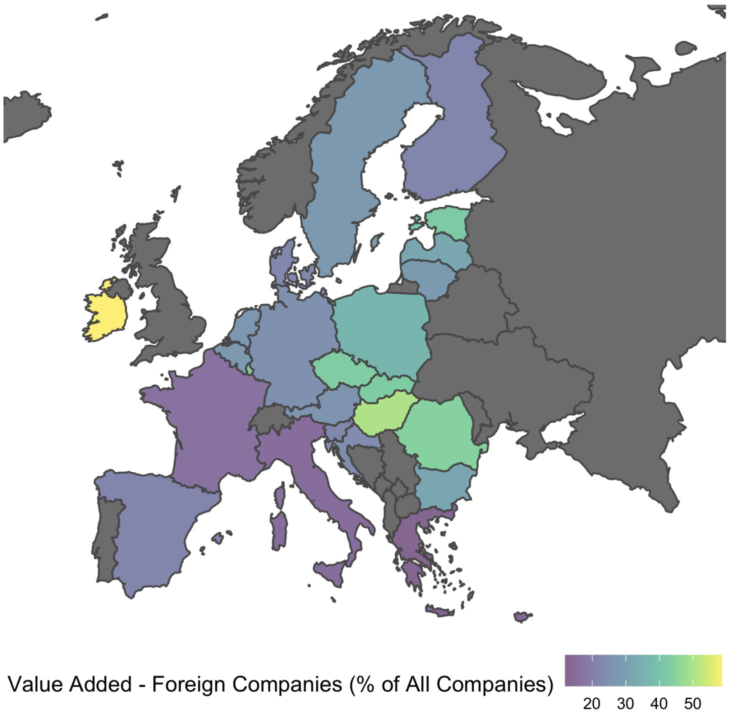

Figure 6: Independent Variables - Value Added Through Foreign Companies as Share of Value Added Trough All Companies (Per Country, Average) (Eurostat, 2022a)

Control Variables I include control variables on the country-, as well as on the manifesto-level. Starting with the latter, I take varying manifesto lengths into account, adding logged number of economic policy statements as a control variable. Manifesto length, on the one hand, correlates with the share of support for specific policy programs and reference to specific business types (Däubler and Benoit, 2013). On the other hand, manifesto length can serve as a proxy for resources spent in the manifesto-making process which is dependent both on party size and preparation time (Dolezal et al., 2012). In addition, I include a variable measuring the share of uncoded sentences which helps control for potential measurement errors (Kraft, 2018). Other influencing macroeconomic factors at the country level need to be held constant, hence I include both countries logged GDP as well as countries' real GDP growth taken from the *Comparative Political Data Set* by Armingeon, S. Engler and Leemann (2021) as control variables. Additionally, I include information on the state and fiscal capacity of the respective country taking into account that available resources correlate with the feasibility of corporate welfare programs (Beramendi, 2015). This is operationalized through the total general government revenue retrieved from the European Commission's Eurostat Platform (Eurostat, 2022b). Moreover, I include an indicator for the effect of fiscal pressure measured as the gross general government debt (financial liabilities) as a percentage of GDP. Increased spending on corporate welfare is likely to be conditional on countries' budget constraints. This information is, again, taken from the *Comparative Political Data Set* by Armingeon, S. Engler and Leemann (2021). Taking into account that increased deindustrialization might trigger higher investment levels (Busemeyer, Goerres and Weschle, 2009; Kraft, 2018; Seidl, 2022), I included a variable measuring the population working in the service sector as the share of the working-age population based on data taken again from the *Comparative Political Data Set* by Armingeon, S. Engler and Leemann (2021). Following Seidl (2022), I add a dummy variable indicating whether the population size of a country is smaller than 6 million since it is shown that small states are potentially more likely to follow an expansive investment strategy.

4.3 Model Specifications

Taking the hierarchical structure of my dataset into account, I use mixed-effects models for the multivariate analysis. Including both fixed-effects and random effects (Bell and Jones, 2015; Bell, Fairbrother and Jones, 2019) enables me to detect variation between parties (as suggested in Hypotheses I-V) and variation between countries (as suggested in Hypotheses VI-VII). Since manifestos are nested in parties, but are, similarly, nested in elections, which are both nested in countries, I specify a nested hierarchical model. Following Garritzmann and Seng (2020), this would suggest including random intercepts at party-, election- and country-level. The evaluation of the models, however, indicates that random variation at the election level is de facto zero and is reducing model quality irrespective of the dependent variable. Hence, instead of overfitting models, I only include random intercepts at the party- and the country-levels.[3] To control for time effects across countries, I add a year dummy. Moreover, I include robust standard errors.[4]

[3]The results hold if I include random intercepts only at the country level or if I add random intercepts at the election level. The additional models can be found in the appendix in Table A.3 to A.10.

[4]In mixed models, robust standard errors are clustered at the highest specified level. Hence, in these models standard errors are clustered at the country-level.

5 Analysis

This section provides evidence on how political parties position themselves with regard to corporate welfare programs based on findings from the bivariate analysis in Section 5.1 and results of the multivariate hierarchical regression models in Section 5.2. As a first step, this enables me to look into the distinct relationship between ideological placement and support for corporate welfare in comparison to deregulatory policies as introduced with Hypotheses I-II. As a second step, I more specifically analyze partisan support for corporate welfare targeted at small- and medium-sized as well as local companies. In this regard, I take, on the one hand, party-specific ideological and electoral considerations into account which are theorized with Hypotheses III-V. On the other, testing Hypotheses VI-VII, I examine the country-specific macroeconomic setups partisan positions are embedded in.

5.1 Bivariate Relationship

5.1.1 Corporate Welfare Vs. Deregulatory Policies

Before I dive deeper into political parties' stances on corporate welfare, it is important to check to what extent political parties even engage in discourses on corporate welfare compared to both social welfare and deregulation. According to Culpepper (2015) and Bohle and Regan (2021) unlike social policy, corporate welfare is not directly linked to the electoral arena, but is taking place at the political backstage. Hence salience levels on the respective policies should be comparatively low. Figure 7 depicts average shares of manifesto statements on corporate welfare, deregulation and social welfare across time. The latter are based on statements coded with *CMP*'s *Welfare State Expansion* category. Salience levels of social welfare exceed the ones of corporate welfare quite distinctively. Over the entire period under study, political parties have devoted social welfare policies at least twice as much manifesto space as deregulatory or corporate welfare issues. It is, thus, fair to conclude that political parties, on average, pay more attention to social welfare than to both interventionist and non-interventionist business support. At the same time, one should not underestimate the emphasis political parties put on the business-targeted policies especially when considering that the definitional conceptualization and thus also the operationalization of support for the respective policies is far more specific than the broad *CMP* category under which social welfare proposals are aggregated. Against this backdrop, one can subsume that political parties engage in debates on corporate politics and that they do so in documents that are most prominently linked to the electoral arena. Figure 7 does, however, show, that political parties devote far more space to questions of social welfare than to proposals targeted at supporting businesses.

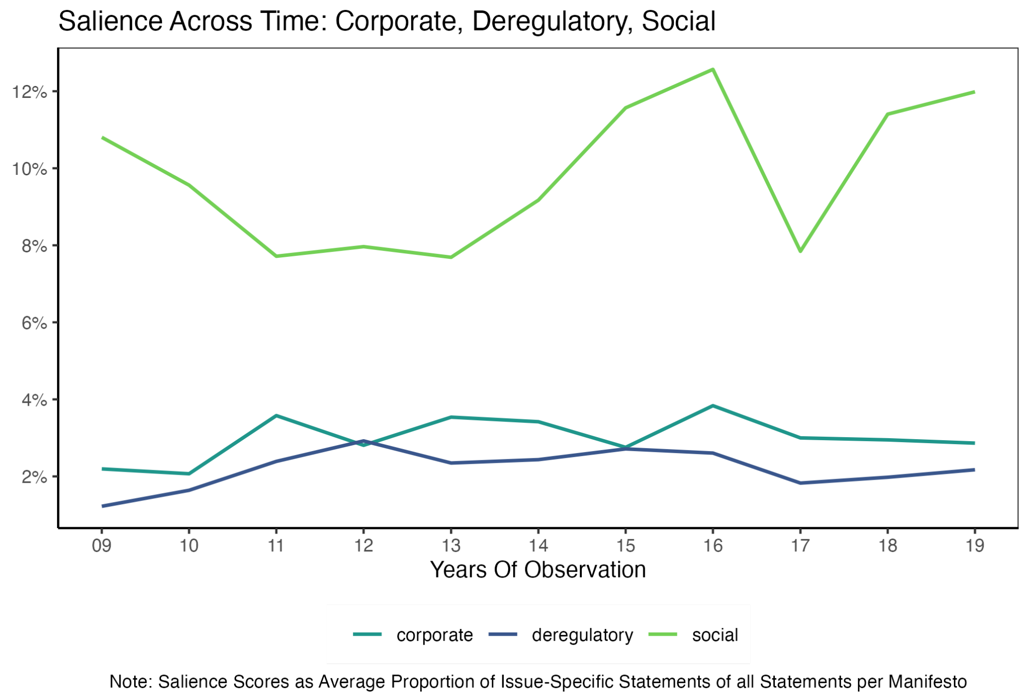

Figure 7: Results - Average Share of Manifesto Statements on (1) Corporate Welfare, (2) Deregulation, (3) Social Welfare across Time

While Figure 7 gives first insights into the relevance of both corporate welfare and deregulatory policies, it does not tell us whether support for the respective policies varies between political parties. Figure 8 does exactly that. It depicts the bivariate relationship between economic left-right placement and support for deregulatory and corporate welfare policies. The x-axis indicates partisan placement on economic left-right scale, which ranges from far-left (0) to far-right (10). The y-axis indicates support for deregulation in plot I, and support for corporate welfare in plot II. In both cases, support for the respective policies is operationalized as the share of statements on the respective issues of all statements on economic policymaking. This explains why the average shares are far higher compared to the numbers presented in Figure 7 in which emphasis on the respective issues across all manifesto statements is depicted. The regression lines are calculated using the loess algorithm. The loess algorithm is a nonparametric local weighted regression technique which enables me to visualize non-linear relationships. I excluded extreme outliers for visualization purposes. Regarding support for deregulation, this concerns manifestos of two nationalist parties, namely the 2015 manifesto of the Greek party ANEL in which 100% of the statements on economic policymaking can be considered deregulatory and the 2018 manifesto of the Latvian National Alliance in which deregulation is supported in 50% of the statements related to economic policymaking. In the other half of the statements, Latvian National Alliance makes references to corporate welfare proposals, hence its 2018 manifesto is also an outlier regarding corporate welfare support.

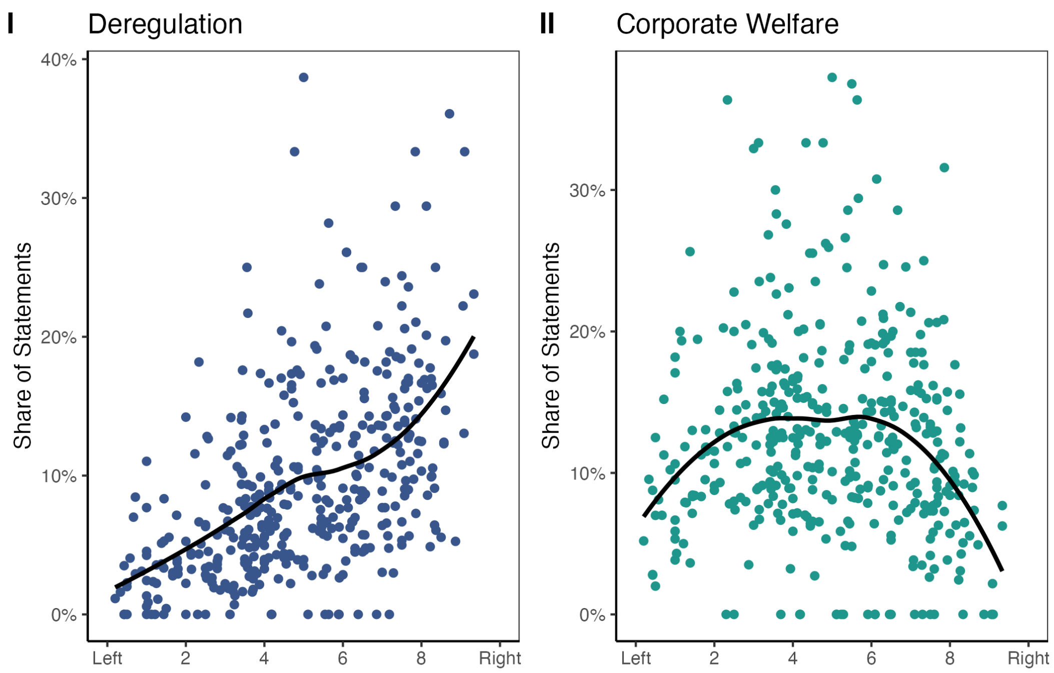

Figure 8: Results - Bivariate Relationship between Economic Left-Right Placement and Support for (I) Deregulation, (II) Corporate Welfare

Plot I on the left-hand side illustrates a positive linear relationship between economic left-right placement and support for deregulation. Parties which are considered economically more right-wing show greater emphasis on deregulatory policies in their economic policy agenda than parties which are classified as economically left-leaning. Excluding the outliers noted above, the correlation between support for deregulatory proposals and economic left-right placement is moderately high with 0.51 and reaches a significance level of $p < 0.001$. Including the outliers, the correlation yields 0.41, but is still highly significant. These preliminary results corroborate the theoretical mechanism suggested in Hypothesis I, namely that parties which are considered economically more right-wing show greater emphasis on deregulatory policies in their economic policy agenda than parties which are classified as economically far-left. This suggests that the free market spirit of economically right-wing parties manifests itself in support for deregulation. Plot II on the right-hand side illustrates a curvilinear relationship between economic left-right placement and support for corporate welfare. Political parties located on the extremes of the economic left-right scale put less emphasis on corporate welfare in their economic policy agenda than parties with centrist views on state–market relations. Accordingly, it is not surprising that there is no correlation between economic left-right placement and support for corporate welfare proposals irrespective of including or excluding outliers since this would suggest a linear relationship. Taking the visualization of the loess function into account as depicted in plot II, it makes sense to conceptualize the relationship between corporate welfare and economic left-right placement taking an inverted U-shape as suggested in Hypothesis II.

In sum, Figure 8 already illustrates that the relationship between ideological placement and support for deregulatory and corporate welfare differs quite substantially. Market-liberal parties show the highest support levels for market-friendly deregulatory proposals which does not come as a surprise. At the same time, however, they are not the ones putting the most emphasis on corporate welfare proposals. If anything, the results of the bivariate analysis presented in Figure 8 suggest that economically far-right parties are least likely to support business-friendly corporate welfare policies. Meanwhile, parties that are considered economically more left-wing show comparatively high levels of support for interventionist business support. As I have elaborated in Section 2, businesses can be supported through corporate welfare or deregulatory policies. Although corporate welfare measures do support businesses, they strengthen states' role in business–market relations which seems to go against the ideological compass of parties that are prone to embrace market solutions and to go against etatist proposals.

5.1.2 Corporate Welfare Targeted at Specific Business Types

As I have elaborated in Section 2, politics of corporate welfare might not only revolve around a binary opposition between retrenchment and expansion, but might also entail a re-shifting between business types. In this regard, addressing different business types can, on the one hand, be a function of party-specific ideological as well as electoral considerations, but can, on the other hand, also be sensitive to macroeconomic setups. As a first step, I, thus, check how support for corporate welfare targeted at small- and medium-sized businesses as well as local businesses relates to party-specific explanatory variables. As a second step, I provide insights into country-specific drivers for partisan positioning towards targeted corporate welfare.

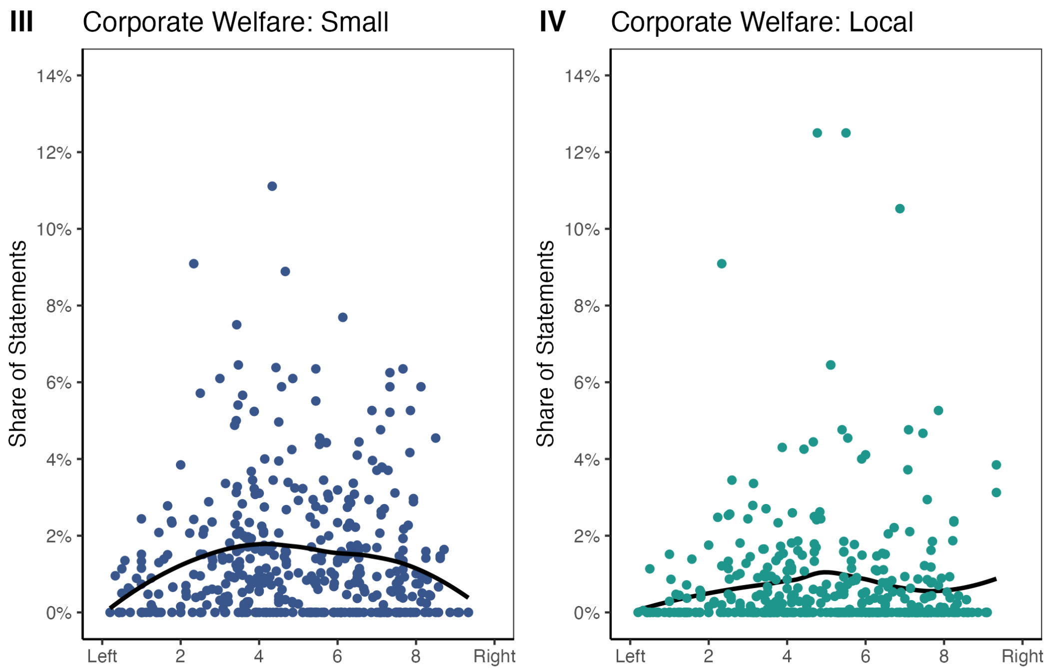

Figure 9: Results - Bivariate Relationship between Economic Left-Right Placement and Support for Corporate Welfare Targeted at (III) Small- and Medium-Sized Businesses, (IV) Local Businesses

In short, in Hypotheses III-IV, I suggest that ideological placement on the economic left-right scale does not influence parties' position on targeted corporate welfare. When it comes to support for small- and medium-sized companies, I have argued that high popularity levels of the respective business type across voter groups mitigate ideological drivers for partisan position-taking. Looking at local corporations, I assume that position-taking is a function of partisan stances on globalization. Figure 9 depicts the bivariate relationship between partisan economic left-right placement and corporate welfare targeted at different business types. Similar to Figure 8, the x-axis indicates partisan placement on economic left-right scale which ranges from far-left (0) to far-right (10). The y-axis indicates support for corporate welfare targeted at small- and medium-sized companies in plot III, and support for corporate welfare targeted at local corporations in plot IV. The regression lines are, again, calculated using the loess algorithm. I excluded extreme outliers for visualization purposes. This concerns manifestos of nationalist parties, namely the 2013 manifesto of the Austrian Freedom Party (FPÖ) in which 25% of the statements on economic policymaking fall under the respective category and the 2012 manifesto of the Slovak National Party with 17% of interventionist SME support across statements on economic policymaking. In both cases, support for the respective policies is operationalized as the share of statements on corporate welfare which are, at the same time, referring to the respective business type of all statements on economic policymaking. The statements are, thus, a subset of corporate welfare support depicted in plot II in Figure 8. As a logical consequence, support for targeted corporate welfare is smaller than general corporate welfare support. Nonetheless, as I have already elaborated in 4.3, Figure 8 illustrates that a great number of parties do not emphasize targeted corporate welfare at all and that support levels are, in general, quite low.[5]

Is support for corporate welfare targeted at SMEs driven by parties' economic left-right placement? Or do the high popularity ratings of small- and medium-sized businesses translate into vote-seeking parties increasingly addressing them, regardless of their ideological orientation? The bivariate relationship depicted in Figure 9 suggests the former. Plot III on the left-hand side shows a curvilinear relationship between economic left-right placement and support for corporate welfare targeted at small- and medium-sized corporations. It depicts that political parties located at the ideological extremes attribute lower attention levels to support for corporate welfare at small businesses than parties positioned at the middle of the economic left-right scale. This aligns with bivariate results about the relationship between parties' stances on state–market relations

[5]On average, political parties address corporate welfare targeted at SMEs in 1.5% and link their corporate welfare proposals to local corporations in 0.8% of their economic policy agenda. While this result suggests that appeals to different business types might not be central to corporate welfare politics, it, furthermore, implies to be cautious when interpreting both bi- and multivariate results on explanations of partisan position-taking.

and overall corporate welfare support as depicted in plot II in Figure 8. Therefore, it is not surprising that there is no linear correlation between the two variables.

Moreover, is partisan position-taking on interventionist support for local businesses conditional on economic left-right placement or mitigate national(ist) interests, as suggested in Hypotheses IV and V, the influence of parties' stances on state–market relations? Does this lead to more emphasis on corporate welfare targeted at local businesses by nationalist parties? Results depicted in plot IV in Figure 9 suggest the latter. Plot IV on the left-hand side does not illustrate a relationship between economic left-right placement and support for corporate welfare targeted at local corporations. The loess function neither visualizes a linear nor a curvilinear relationship between the two variables which provides preliminary support for hypothesis V suggesting that economic left-right placement does not influence support for corporate welfare targeted at local businesses. Again, there is no linear correlation between the two variables.

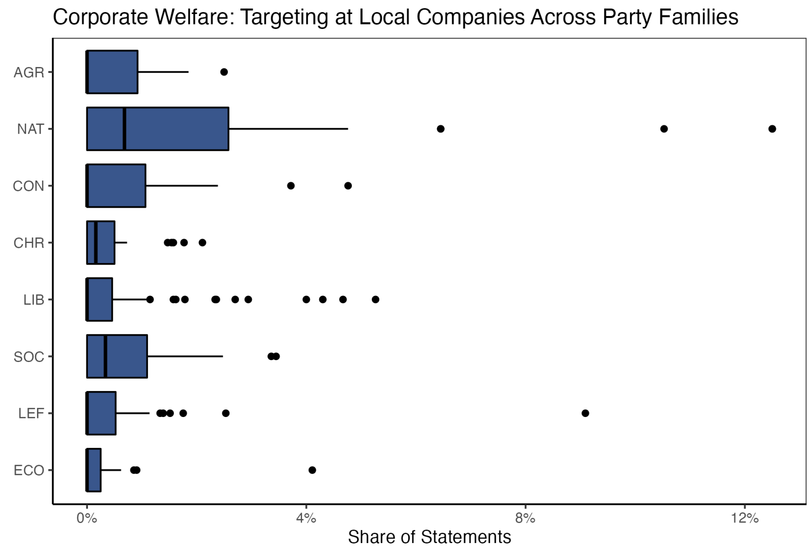

Figure 10: Results - Bivariate Relationship between Belonging to a Party Family and Support for Corporate Welfare Targeted at Local Businesses

Instead, nationalist parties attribute more space to corporate welfare targeted at local companies. Figure 10 visualizes the bivariate relationship between belonging to a party family and support for corporate welfare targeted at local businesses. The x-axis indicates the share of statements in which political parties propose corporate welfare measures targeted at local businesses in their overall economic policy agenda. On the y-axis different party families are depicted. In Hypothesis V, I suggest that, due to their anti-globalist stances, nationalist parties are particularly prone to emphasize support for local companies. Figure 10 shows that nationalist parties (NAT) put the highest emphasis on corporate welfare targeted at local companies in comparison to the other party groups. Not only do nationalist parties have the highest average score, but the upwards dispersion is clearly above average. Second, the plot illustrates that social democratic parties (SOC) are second most vocal in addressing local businesses in their corporate welfare agenda. These preliminary results suggest that nationalist parties, in fact, do show higher support levels for corporate welfare targeted at local companies than other party groups as I have argued in hypothesis V. The theorized anti-globalist attitude of radical left parties (LEF), on the other hand, does not seem to translate into particular emphasis on support for local corporations.

Finally, I have argued that targeted corporate welfare support should be affected by the country-specific macroeconomic setup political parties are embedded in. Does greater relevance of large corporations or foreign companies for the national growth strategy lead to less focus on SMEs or local businesses? The bivariate analysis provides mixed results on this matter. Figure 11 illustrates the bivariate relationship between support for targeted corporate welfare and country-specific macroeconomic settings. Plot VI on the left-hand side depicts how the importance of large companies for the national economy relates to the emphasis which is put on small- and medium-sized companies in partisan election manifestos. More specifically, the x-axis indicates the average country-specific value added through large companies as a percentage of the value added through all companies. This operationalization works as a proxy for measuring the relative importance of a respective business type to the national economy. The y-axis indicates the country-specific shares of statements on corporate welfare targeted at small- and medium-sized companies of all statements on economic policymaking averaged across manifestos and elections. The scatterplot does not suggest a relationship between the two variables. There are, for example, several countries in which large companies play a very prominent role and parties nevertheless address small- and medium-sized enterprises to a comparatively greater extent, such as Romania, France and Slovakia. Meanwhile, in some Northern countries like Denmark, the Netherlands or Sweden, low levels of emphasis on SME-targeted corporate welfare proposals correspond to the important role large companies take up in the respective national economy. This visual impression aligns with the result of the Pearson correlation test which yields a negligible effect size of -0.08 that is not significant. Against this backdrop, preliminary results do not indicate support for Hypothesis VI which suggests that higher contribution of large corporations to national growth decreases partisan support for corporate welfare targeted at small- and medium-sized businesses.

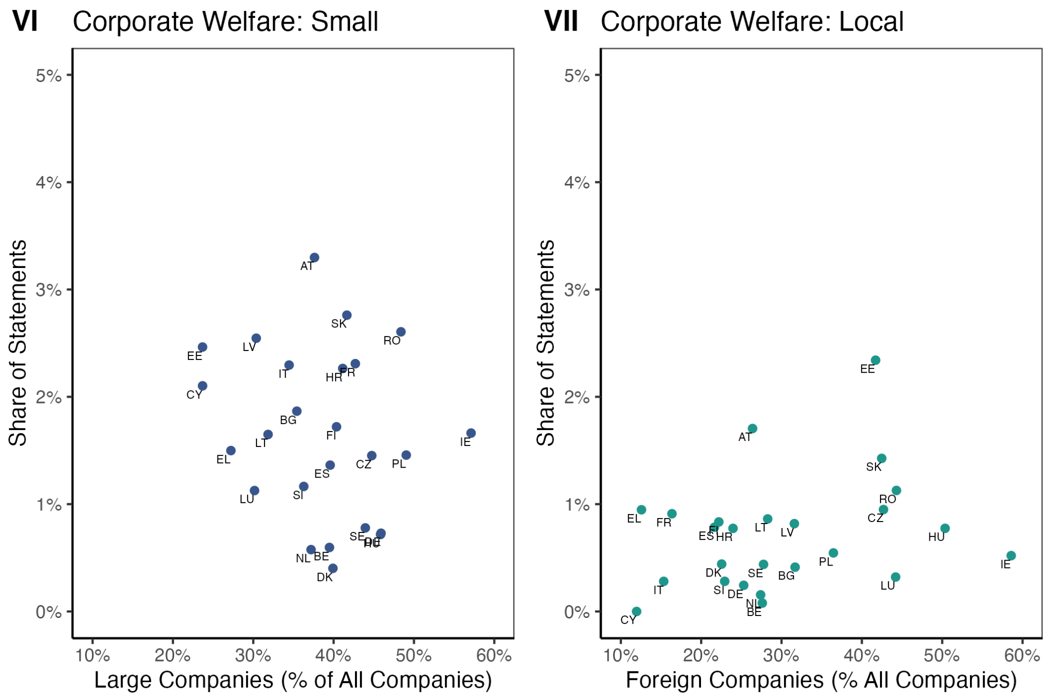

Figure 11: Results - Bivariate Relationship between (VI) Support for Corporate Welfare (Small) and Value Added Through Large Companies and (VII) Support for Corporate Welfare Targeted (Local) and Value Added Through Foreign Companies

Plot VII on the right-hand side shows how the country-specific average value added through foreign companies as a percentage of value added through all companies (x-axis) correlates with emphasis on corporate welfare targeted at local companies measured as the country-specific share of statements on economic policymaking in which parties show support for the respective policies averaged across manifestos and elections (y-axis). With Hypothesis VII, it is assumed that the macroeconomic value of foreign companies lowers partisan focus on corporate welfare targeted at local businesses. Plot VII in Figure 11 does not suggest this bivariate relationship. In countries in which foreign companies contribute comparatively more to national growth, parties, on average, do not show lower emphasis levels with regards to corporate welfare targeted at local companies. Moreover, in some countries like Estonia, Slovakia or Romania, political parties are more supportive of corporate welfare measures targeted at national businesses. This suggests that in Eastern European countries, whose economic strength depends to a greater extent on foreign companies, the political platform for strengthening the domestic economy is relatively larger than in other countries. Nonetheless, the correlation is only 0.09 and is not significant.

To sum up, the bivariate analysis primarily puts emphasis on the party-specific ideological aspects of corporate welfare politics. First of all, Figure 7 shows that political parties do engage in discourse on business-specific policy proposals in their manifestos. Moreover, Figure 8 underlines that it is important to differentiate between interventionist and non-interventionist measures since partisan placement on the economic left-right scale relates differently to support for deregulation and corporate welfare. When it comes to business-specific targeting of corporate welfare, one can see that references to specific business types are not very frequent in election manifestos. Taking the comparatively low salience levels into account, first preliminary results suggest little to no correlation between parties' state–market stances and support for corporate welfare targeted at local but not at small- and medium-sized companies. Nevertheless, nationalist parties seem to translate their protectionist core ideology into targeting of local businesses. In comparison, the bivariate analysis does not suggest any particular importance of macroeconomic configurations for the targeting of business types.

5.2 Multivariate Relationship

As I have elaborated on in Section 4, to account for the multilevel data structure, to determine the relative importance of each explanatory factor, and to control for possible confounding variables, the hypotheses are tested using hierarchical multilevel regression models with country-, and party-level random intercepts. Moreover, in all models, year dummies to account for annual variation as well as robust standard errors are included. As I have formulated hypotheses with four different dependent variables, namely support for deregulatory policies, support for corporate welfare policies, support for corporate welfare policies targeted at SMEs and support for corporate welfare policies targeted at local companies, I provide four sets of models.

5.2.1 Corporate Welfare Vs. Deregulatory Policies

How are parties' stances on deregulation shaped by their placement on the economic left-right scale? To answer this question, in the first set of models listed in Table 7 support for deregulatory policies serves as the dependent variable. In the first model (M1.1), I only include economic left-right placement, hence modeling a linear relationship between economic left-right placement and support for deregulatory policies. In the second model (M1.2), I add manifesto-specific control variables such as the share of uncoded statements and the number of economic policy statements. In the third model (M1.3), I include country-specific control variables such as real GDP growth, logged GDP, state deficit, and state capacity. Moreover, I add a proxy for deindustrialization as well as an indicator for small states. In all three models, year dummies as well as robust standard errors are included.

The models presented in Table 7 reassure findings from the bivariate analysis and provide robust support for Hypothesis I, with which a positive linear effect of economic left-right placement on support for deregulatory policies is suggested. Political parties that are considered economically right-wing, are more prone to emphasize support for companies via deregulatory policy proposals than political parties which hold left-leaning economic views. More specifically, with a one unit increase on the 11-point economic left-right scale salience of deregulatory proposals is estimated to increase by 1.5 percentage points taking control variables both at the manifesto- as well as at the country-level into account. At first glance, the effect size seems rather small. However, considering that political parties, on average, designate 7.8% of their economic policy agenda for deregulatory policy proposals, the effect is not only highly significant but also substantive. Apart from that, looking at country-specific controls, only the coefficient for deindustrialization is significant. Higher levels of deindustrialization have a negative effect on support for deregulatory policies. In highly deindustrialized countries such as Luxembourg, the Netherlands or Sweden, parties pay less attention to deregulatory policy proposals, while they take up way more space in countries with less relevance of the service sector such as Romania, Greece or Bulgaria.

Figure 12 visualizes the effect of economic left-right placement on support for deregulation. The y-axis indicates the predicted mean values of deregulation support, the x-axis indicates the different levels of the economic left-right scale. While deregulatory policies, on average, make

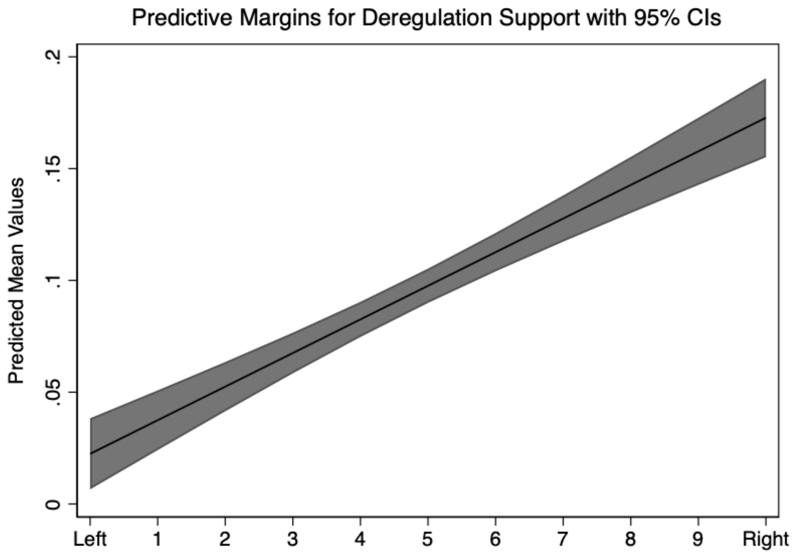

Figure 12: Results - Predictive Margins for Deregulation Support with 95% CIs at Different Levels of Left-Right Placement (Based on M1.3)

up a share of only 2.2% in economic policy proposals of political parties on the extreme left, political parties that support radical economic liberalism are expected to address companies via deregulatory proposals in 17.2% of their economic policy agenda. This result does not really come as a surprise considering that placement on the economic left-right scale should be closely linked to parties' stances on state–market relations. Etatist market-skeptics have no incentive to highlight support for deregulatory policies, market-friendly state-skeptical parties, on the other hand, have no reason not to focus on these proposals. As the bivariate analysis has already prompted, the multivariate model, again, provides evidence in support of Hypothesis I: The more economically right-wing a political party, the higher its support of market-friendly deregulatory policies.

Do parties' stances on corporate welfare actually, as suggested in the bivariate analysis, relate to their views on state–market relations in a curvilinear fashion? To test this connection, in the second set of models listed in Table 8 support for corporate welfare policies serves as the dependent variable. In the first model (M2.1), I include economic left-right placement as well as its squared effect, hence modeling a curvilinear relationship between support for corporate

	M1.1	M1.2	M1.3
Economic Left-Right	0.015***	0.015***	0.015***
	(0.001)	(0.002)	(0.002)
GDP Growth			-0.000
			(0.002)
Logged GDP			0.014
			(0.014)
State Deficit			-0.003
			(0.002)
State Capacity			0.047
			(0.055)
Deindustralization			-0.213*
			(0.094)
Small States			0.012
			(0.012)
% Uncoded Statements		-0.004+	-0.004*
		(0.002)	(0.002)
Logged Length Economic Policy Agenda		-0.006*	-0.006*
		(0.003)	(0.003)
Constant	-0.001	0.055+	0.034
	(0.008)	(0.030)	(0.094)
Country Intercept	0.023	0.019+	0.009
	(0.090)	(0.042)	(0.144)
Party Intercept	0.000	0.000	0.000
	(0.223)	(3.901)	(0.049)
Random Residuals	0.070	0.069*	0.070
	(0.202)	(0.079)	(0.138)
Observations	419	419	419
N (Countries)	25	25	25
N (Parties)	225	225	225
Year Dummies	✓	✓	✓
Robust Std. Err.	✓	✓	✓

Standard errors in parentheses
$^{+}$ $p < 0.10$, * $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

Table 7: Results - Multi-level Mixed Model: Support for Deregulatory Policies

welfare policies and economic left-right placement. In the second model (M2.2), I include the share of uncoded statements and the number of economic policy statements as manifesto-specific control variables. In the third model (M2.3), I include country-specific control variables such as real GDP growth, logged GDP, state deficit, and state capacity. Moreover, I add a proxy for deindustrialization as well as an indicator for small states. In all three models, year dummies as well as robust standard errors are included.

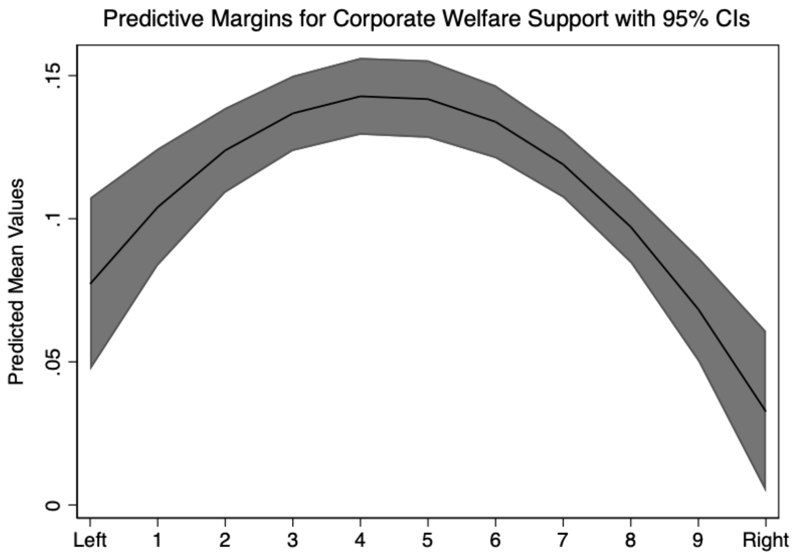

Figure 13: Results - Predictive Margins for Corporate Welfare Support with 95% CIs at Different Levels of Left-Right Placement (Based on M2.3)

The models presented in Table 8 provide evidence in support of Hypothesis II with which it is assumed that political parties located at the extremes of the economic left-right scale show lower support levels for corporate welfare than political parties situated in the middle. Both the linear as well as the quadratic term are highly significant. This is the case irrespective of whether control variables are included or not. Figure 13 provides illustrative corroboration of Hypothesis II. It shows how predicted mean values of corporate welfare (y-axis) relate to partisan positioning on the economic left-right scale in an inverted U-shape. More specifically, it depicts that corporate welfare support peaks when parties have moderate views regarding state–market relations, while differences between parties located at the extremes do exist. Predicted mean values for corporate welfare support are considerably higher for economically left-leaning parties than for economically right-leaning parties. In fact, far-left parties with a minimum level of 0 on the left-right scale are expected to emphasize support for corporate welfare in 7.7% of their economic policy agenda. Meanwhile, for far-right parties located at the maximum of 10 on the left-right scale an average salience level of 3.2% is predicted. In the middle, parties are, on average, expected to emphasize corporate welfare in 14.2% of their economic policy agenda. Coefficients of the country-specific control variables added in the last model listed in Table 7 (M2.3) are not significant. This suggests that, when it comes to overall support for corporate welfare, macroeconomic setups – as operationalized with the control variables – play a secondary role. Nonetheless, the random country intercepts suggest considerable variation between countries.

In sum, the first two sets of models provide evidence for the explanatory power of economic left-right placement for parties' position-taking regarding business support as it has already been indicated in the bivariate analysis. Although is not surprising that there is a relationship between parties' stances on state–market relations and business support, it is of great importance that how these variables relate to each other differs significantly between different proposals. On the one hand, there is a positive linear relationship between left-right placement and deregulation. On the other, there is a curvilinear effect as far as corporate welfare support is concerned. In short, parties' positions regarding state–market relations are crucial in determining which type of business support is advocated; if parties prefer business-friendly interventionist or market-friendly non-interventionist policies. In comparison, country-specific factors play only a minor role.

5.2.2 Corporate Welfare Targeted at Specific Business Types

The bivariate analysis of party- and country-specific drivers for partisan position-taking on corporate welfare targeted at specific businesses does provide ambiguous results. A clearer picture should emerge in the multivariate analysis. As a first step, I look at corporate welfare targeted at SMEs, which serves as the dependent variable in the next set of models listed in Table 9. In the first model (M3.1), I only include economic left-right placement and its squared effect, hence modeling a curvilinear relationship. In the second model (M3.2), I add manifesto-specific control variables. In the third model (M3.3) the country-specific main independent variable – value added

	M2.1	M2.2	M2.3
Economic Left-Right	0.034***	0.032***	0.030***
	(0.007)	(0.006)	(0.007)
Economic Left-Right Squared	-0.004***	-0.004***	-0.003***
	(0.001)	(0.001)	(0.001)
GDP Growth			0.002
			(0.002)
Logged GDP			-0.018
			(0.019)
State Deficit			-0.003+
			(0.002)
State Capacity			-0.104
			(0.118)
Deindustralization			-0.006
			(0.120)
Small States			0.012
			(0.011)
% Uncoded Statements		-0.005*	-0.005*
		(0.002)	(0.002)
Logged Length Economic Policy Agenda		0.000	0.000
		(0.002)	(0.002)
Constant	0.045**	0.052*	0.294*
	(0.015)	(0.025)	(0.115)
Country Intercept	0.029***	0.030***	0.023***
	(0.005)	(0.005)	(0.006)
Party Intercept	0.023***	0.022***	0.020***
	(0.014)	(0.014)	(0.015)
Random Residuals	0.057***	0.056***	0.057***
	(0.010)	(0.010)	(0.010)
Observations	419	419	419
N (Countries)	25	25	25
N (Parties)	225	225	225
Year Dummies	✓	✓	✓
Robust Std. Err.	✓	✓	✓

Standard errors in parentheses
$^{+}$ $p < 0.10$, * $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

Table 8: Results - Multi-level Mixed Model: Support for Corporate Welfare Policies

through large companies – is added. Lastly, in the fourth model (M3.4), country-specific control variables such as real GDP growth, logged GDP, state deficit, and state capacity are included. Moreover, I add a proxy for deindustrialization as well as an indicator for small states. All four models come with year dummies as well as robust standard errors.

In hypothesis III it is suggested that due to high popularity levels for SMEs across voter groups, corporate welfare targeted at the respective businesses translates into a valence issue. Hence, economic left-right placement does not influence partisan support levels for these policies. Results presented in Table 9 do not provide support for this hypothesis. In fact, both the linear and the quadratic term of economic left-right placement have a substantive and significant effect.

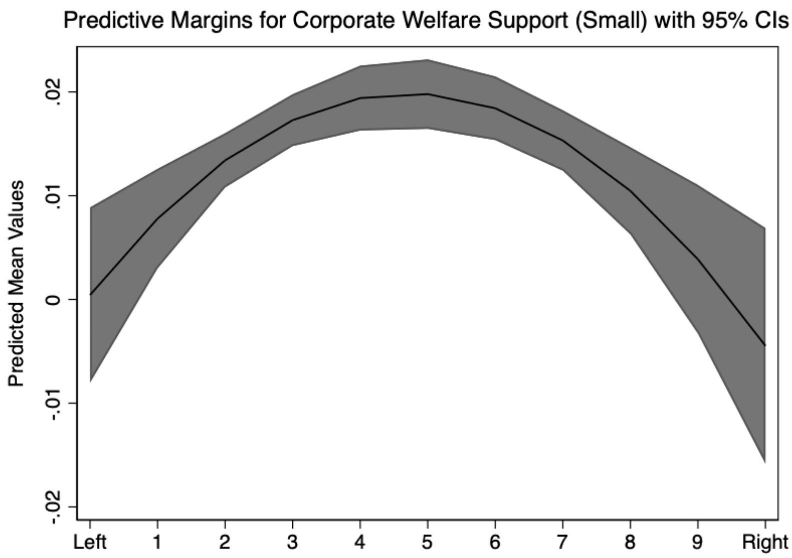

Figure 14: Results - Predictive Margins for Corporate Welfare Support (Small) with 95% CIs at Different Levels of Left-Right Placement (Based on M3.4)

This is best illustrated looking at Figure 14 which depicts predicted mean values of interventionist SME support (y-axis) at different levels of the economic left-right scale (x-axis). Similar to Figure 13 which plots predicted mean values of overall corporate welfare support, the relationship corresponds to an inverted U-shape. Political parties located at the center of the left-right spectrum most prominently emphasize support for corporate welfare targeted at SMEs, while parties located at the extreme left do so less often, and parties at the extreme right are not expected to emphasize interventionist SME support in their economic agenda at all. Predicted mean values are, of course, comparatively little in size, ranging from de facto zero to 2%. This further illustrates, as already suggested in the bivariate analysis, that appealing to specific business types is not the most common strategy in party manifestos. Taking this into account, nevertheless, in this subsample economic left-right placement has a similar effect as in the sample on overall corporate welfare support. Although SMEs enjoy high popularity levels in public opinion and are linked to a great number of different occupational groups, support for interventionist pro-business policies does not translate into a valence issue when targeted at small- and medium-sized companies. Assumed vote-seeking considerations seem not to be decisive when it comes to targeted corporate welfare.

But not only party-specific factors can have an impact on parties' corporate welfare stances. In theory, business policy is often closely linked to country-specific macroeconomic setups. In hypothesis IV I assume that the relative importance of large companies for economic growth reduces the emphasis on SMEs. As large companies are more dominant in countries' growth strategy, political parties are less likely to limit their business supportive proposals to SMEs. Following on from that, it is expected that support levels for corporate welfare targeted at small- and medium-sized companies are lower in countries in which large companies do take a more pronounced macroeconomic role. While the coefficient of value added through large companies is not significant in the third model (M3.3), the negative coefficient reaches significance and decreases substantially when country-specific control variables are added in the fourth model (M3.4). Figure 15 depicts predicted mean values of corporate welfare support for SMEs on the y-axis, and value added through large companies on the x-axis. Mean values are shown at the minimum value, the 10^{th} , 25^{th}, 75^{th} and 90^{th} percentile as well as the maximum value. It illustrates the estimated decrease on the dependent variable with increased importance of large companies. All in all, existing evidence suggests that parties put more emphasis on corporate welfare targeted at SMEs in countries in which large companies play a minor macroeconomic role such as Estonia, Luxembourg and Cyprus. On the other, in countries in which large companies contribute more to national economic success, such as Ireland, Poland or Germany, estimated mean levels are considerably lower. In sum, presented empirical evidence suggests that Hypothesis

VI is corroborated: Higher contribution of large corporations to national growth decreases partisan support for corporate welfare targeted at small- and medium-sized businesses.

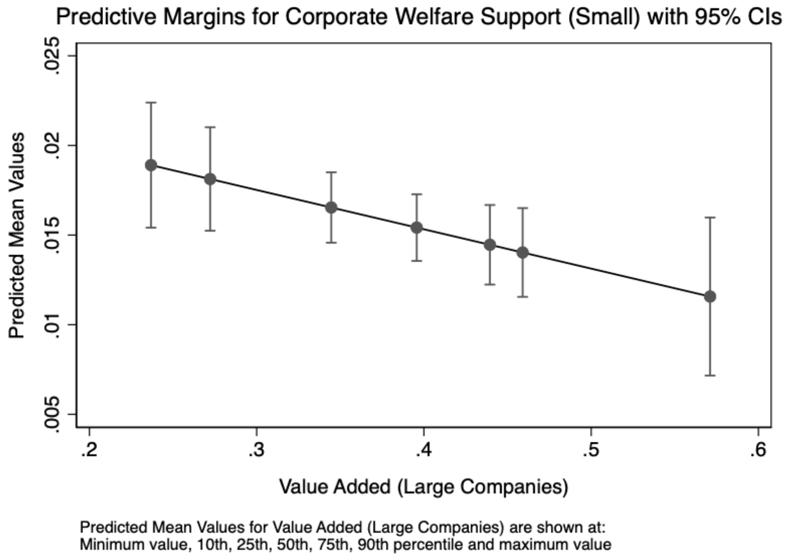

Figure 15: Results - Predictive Margins for Corporate Welfare Support (Small) with 95% CIs at Different Levels of Value Added through Large Companies (Based on M3.4)

As a second step, I look at support for corporate welfare targeted at local companies, which serves as the dependent variable in the next set of models listed in Table 10. In the first model (M4.1), I only include economic left-right placement and its squared effect, thus modeling a curvilinear relationship.[6] In the second model (M4.2), I add manifesto-specific control variables. In the third model (M4.3) the country-specific main independent variable – value added through foreign companies – is included. Lastly, the fourth model (M4.4), contains country-specific control variables such as real GDP growth, logged GDP, state deficit, and state capacity. Moreover, I add a proxy for deindustrialization as well as an indicator for small states. All four models come with year dummies as well as robust standard errors.

In Hypothesis IV, I assume that economic left-right placement does not influence parties' support for corporate welfare targeted at local companies, because support for corporate welfare

[6]Since bivariate results depicted in Figure 9 are less telling, I calculated the models both with and without a quadratic term. Only the modeling listed in Table 10 reached significance.

	M3.1	M3.2	M3.3	M3.4
Economic Left-Right	0.008***	0.008***	0.008***	0.008***
	(0.002)	(0.002)	(0.002)	(0.002)
Economic Left-Right Squared	-0.001***	-0.001***	-0.001***	-0.001***
	(0.000)	(0.000)	(0.000)	(0.000)
Value Added (Large Companies)			-0.009	-0.022*
			(0.013)	(0.011)
GDP Growth				0.002**
				(0.001)
Logged GDP				0.006
				(0.004)
State Deficit				-0.001
				(0.001)
State Capacity				-0.023
				(0.022)
Deindustralization				-0.051*
				(0.025)
Small States				0.000
				(0.002)
% Uncoded Statements		-0.001	-0.001	-0.001
		(0.001)	(0.001)	(0.001)
Logged Length Economic Policy Agenda		-0.002**	-0.002**	-0.002**
		(0.001)	(0.001)	(0.001)
Constant	-0.009*	0.007	0.010	-0.001
	(0.003)	(0.005)	(0.007)	(0.025)
Country Intercept	0.004	0.002	0.002	0.000
	(0.122)	(1.077)	(0.777)	(0.000)
Party Intercept	0.000	0.000	0.000	0.000***
	(2.087)	(0.169)	(2.082)	(0.000)
Random Residuals	0.022	0.021	0.021	0.021***
	(0.391)	(1.009)	(0.691)	(0.003)
Observations	419	419	419	419
N (Countries)	25	25	25	25
N (Parties)	225	225	225	225
Year Dummies	✓	✓	✓	✓
Robust Std. Err.	✓	✓	✓	✓

Standard errors in parentheses
$^{+}$ $p < 0.10$, * $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

Table 9: Results - Multi-level Mixed Model: Support for Corporate Welfare Policies (Small)

	M4.1	M4.2	M4.3	M4.4
Economic Left-Right	0.002*	0.002*	0.002*	0.002^{+}
	(0.001)	(0.001)	(0.001)	(0.001)
Economic Left-Right Squared	-0.000*	-0.000*	-0.000*	-0.000^{+}
	(0.000)	(0.000)	(0.000)	(0.000)
Nationalist Party	0.013**	0.013**	0.013***	0.013***
	(0.004)	(0.004)	(0.004)	(0.004)
Value Added (Foreign Companies)			0.022**	0.017*
			(0.008)	(0.007)
GDP Growth				0.001
				(0.000)
Logged GDP				0.002
				(0.003)
State Deficit				-0.000
				(0.000)
State Capacity				0.004
				(0.015)
Deindustralization				-0.027^{+}
				(0.015)
Small States				0.002
				(0.002)
% Uncoded Statements		-0.001*	-0.001*	-0.001*
		(0.000)	(0.000)	(0.000)
Logged Length Economic Policy Agenda		-0.000	-0.000	-0.000
		(0.000)	(0.000)	(0.000)
Constant	-0.002	0.001	-0.007	-0.004
	(0.002)	(0.004)	(0.005)	(0.019)
Country Intercept	0.004***	0.003***	0.002***	0.001^{+}
	(0.002)	(0.002)	(0.003)	(0.004)
Party Intercept	0.004***	0.004***	0.004***	0.004***
	(0.002)	(0.002)	(0.002)	(0.002)
Random Residuals	0.012***	0.012***	0.013***	0.013***
	(0.002)	(0.002)	(0.002)	(0.002)
Observations	419	419	419	419
N (Countries)	25	25	25	25
N (Parties)	225	225	225	225
Year Dummies	✓	✓	✓	✓
Robust Std. Err.	✓	✓	✓	✓

Standard errors in parentheses
$^{+}$ $p < 0.10$, * $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

Table 10: Results - Multi-level Mixed Model: Support for Corporate Welfare Policies (Local)

targeted at local companies corresponds to both principles of ‘embedded liberalism’ and ‘embedded nationalism’. The models to test this relationship are listed in Table 10. In the first three models (M4.1, M4.2, M4.3), coefficients of economic left-right placement are significant, but negligible in their effect size. With control variables added in the fourth model (M4.4), the coefficient is significant only at a level of $p < 0.10$. Figure 16 illustrates this finding. It depicts predicted mean values of corporate welfare support targeted at local businesses (y-axis) at different levels of economic left-right placement (x-axis). It is predicted that left-leaning parties show higher support levels for interventionist support targeted at local companies than right-leaning parties. Again, predicted means peak with parties located at the center of the economic left-right scale. High confidence intervals, however, mostly overlap. Since salience levels vary between parties with similar ideological orientations and are generally very low, one can conclude that economic left-right placement is not particularly telling when it comes to support for corporate welfare targeted at local companies. Presented empirical evidence speaks in favor of Hypothesis IV: Parties' economic left-right position does not influence partisan support of interventionist corporate welfare policies targeted at local businesses.

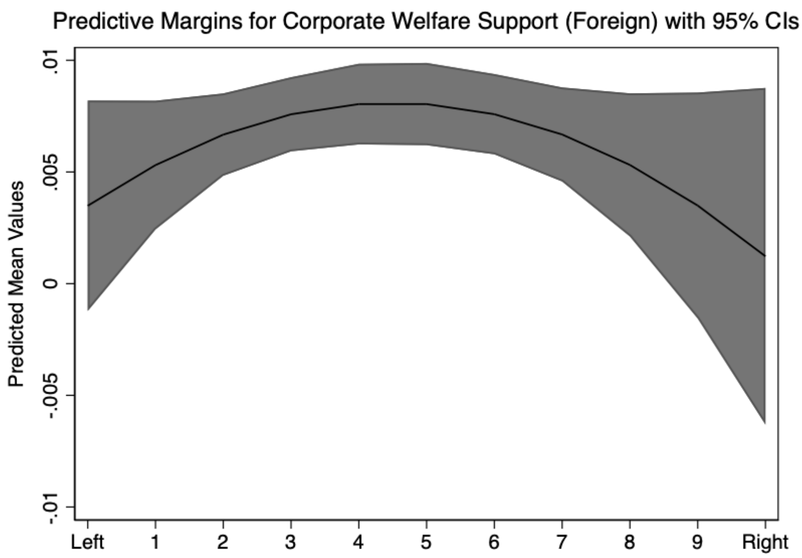

Figure 16: Results - Predictive Margins for Corporate Welfare Support (Local) with 95% CIs at Different Levels of Left-Right Placement (Based on M4.4)

In contrast, Hypothesis V suggests that nationalist parties particularly support corporate welfare policies targeted at local businesses. I argue that nationalist parties' anti-globalist attitudes irrespective of whether they are initially driven by material or non-material concerns, translate into higher attention levels towards local businesses. Looking at results presented in Table 10, this seems to be the case. Nationalist parties attribute 1.3 percentage points more space of their economic policy agenda to corporate welfare targeted at local businesses. These results hold irrespective of including control variables or not. In all three models, the effect size is 0.013. At first, this effect size seems rather small. Taking into account that in manifestos, on average, 0.5% of economic policy content is taken up by these policies, I actually do find considerable difference between nationalist parties and their counterparts. Figure 17 illustrates this finding. The plot depicts predicted mean values for locally-targeted corporate welfare support for nationalist parties in comparison to parties of other party groups. While nationalist parties are expected to address local businesses in their interventionist business support proposals in around 1.8% of their economic policy agenda, other parties, on average, are expected to do this in only 0.5% of their economic policy agenda. Following on from that, the results of the multivariate analysis reassure findings of the bivariate analysis depicted in Figure 10 and provide support for hypothesis V: Nationalist parties show higher levels of partisan support for interventionist corporate welfare policies targeted at local businesses than other parties.

The last two models (M4.3, M4.4) enable me to test the final hypothesis, in which it is suggested that in countries in which foreign companies contribute more to GDP, parties' emphasis on interventionist support for local companies is lower. In practice, while value added through foreign companies has a significant effect on support for corporate welfare policies targeted at local companies, the relationship is pointing in the opposite direction. The models, thus, show that higher contribution of foreign corporations to national growth increases partisan support for interventionist pro-business proposals targeted at local corporations. Figure 18 depicts the relationship between value added through foreign companies and emphasis on corporate welfare support for local businesses. The y-axis indicates predicted mean values of the relative emphasis on the respective policies. These predictions are shown at specific percentile levels of value added through foreign companies (x-axis). It illustrates that estimated corporate welfare proposals

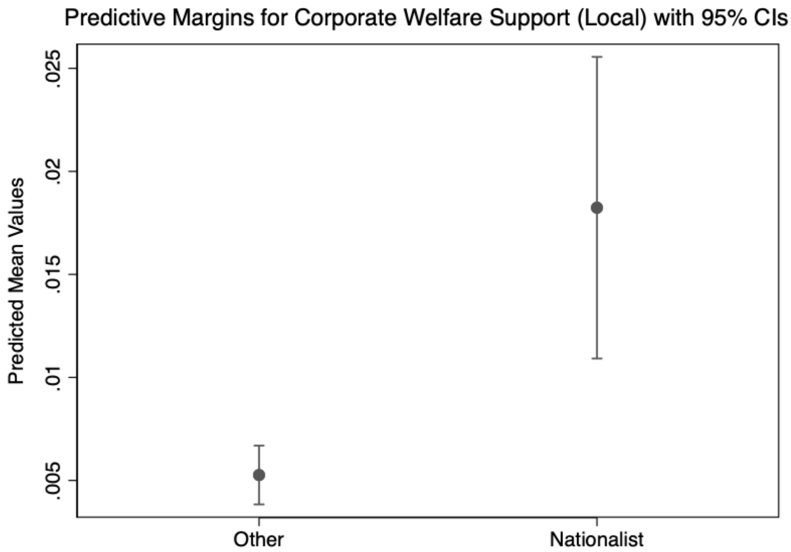

Figure 17: Results - Predictive Margins for Corporate Welfare Support (Local) with 95% CIs for Nationalist Parties (Based on M4.4)

containing appeals to local corporations take up 0.5% of the economic policymaking agenda at the 10th percentile which includes countries such as Greece, Italy and France and increases to 1.0% at the 90th percentile for countries like Romania, the Czech Republic or Slovakia.

The bivariate analysis depicted in Figure 11 already suggested that Eastern European countries in which foreign companies play an important role are more likely to counteract foreign influence to strengthen the local economy. Taking into account that I controlled for broader indicators of economic development such as deindustrialization and GDP in M4.4, one cannot simply draw the more general conclusion that economically less productive countries are simply more likely to emphasize strengthening the local economy. Nonetheless, it is, again, important to note, that general support levels for locally-targeted corporate welfare are extremely low. Still, while hypothesis VII assumed that the importance of foreign companies for the countries' economic success would reduce the focus on strengthening local businesses, i.e. that the growth strategy would be reflected in a cross-party consensus, the empirical evidence points in the opposite direction. This suggests that parties want to counteract foreign influence in the national economy. Hence, hypothesis VII is not supported: Higher contribution of foreign corporations to national

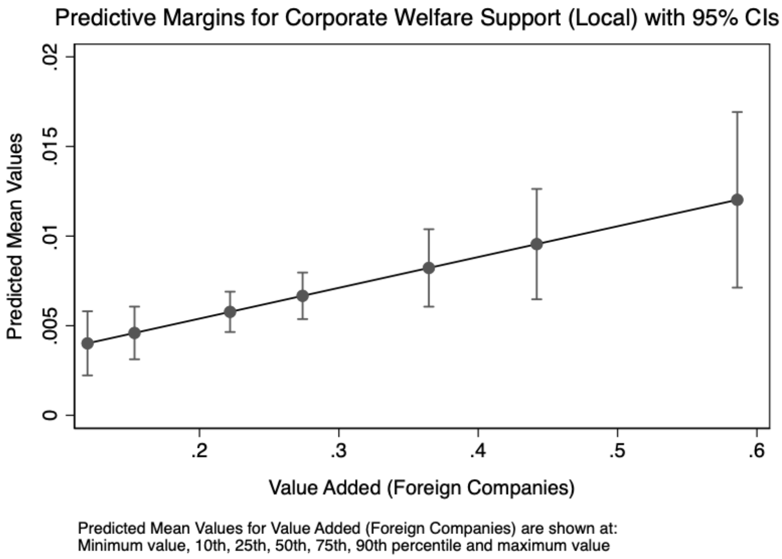

Figure 18: Results - Predictive Margins for Corporate Welfare Support (Local) with 95% CIs at Different Levels of Value Added through Foreign Companies (Based on M4.4)

growth does not decrease partisan support for corporate welfare targeted at local businesses.

In sum, the final sets of models provide very mixed results. All in all, as both the descriptive as well as the bivariate analysis already suggested, targeting of specific business types when making corporate welfare proposals is not a common strategy in manifestos across party groups and irrespective of ideological placement. In this regard, it is also important to point to potential measurement error that is linked to the statement structure of the *Comparative Manifesto Project* dataset.[7]. Nonetheless, the multivariate analysis provides some interesting, although ambiguous results: On the one hand, I do find support for party-specific drivers targeted corporate welfare support. With regards to support for small- and medium-sized businesses, economic left-right placement seems to be a decisive aspect of parties' position-taking. When it comes to local businesses, support levels appear to be less driven by more general economic ideological considerations, but by (non-material) stances on (economic) globalization. This is highlighted by the fact that nationalist parties are most likely to emphasize support for local businesses. Moreover, contrary to what was suggested in the bivariate analysis, macroeconomic setups do

[7]I have elaborated on this issue in Section 4.2

seem to play a role in partisan positioning when the data structure is taken into account and control variables are added. However, empirical evidence suggest that macroeconomic setups play out very differently dependent on the type of business that is addressed. In countries in which large companies are more important for the national growth strategy, targeted support at SMEs is mitigated. In countries in which foreign companies are more important for the national growth strategy, targeted support at local companies is more likely. In both cases, other macroeconomic aspects do seem to play a subordinate role. This vaguely suggests that there is a difference between the politicization of SMEs and local businesses and that this difference is reflected in party-specific ideological as well as country-specific macroeconomic explanatory factors. I will reflect on these potential implications in the next chapter.

6 Discussion & Conclusion

Research on corporate welfare – i.e. on interventionist government support for companies – is scarce. Even though it is an important aspect of supply-side oriented economic policymaking and involves significant budget resources, little is known about partisan politics of corporate welfare. In the near future, these policies - and (partisan) contestation around them - are likely to become even more important. The economic consequences of the COVID-19 pandemic and the inflation crisis have shed light on short-term government aid. The climate crisis will bring momentum into the discourse on long-term supply-side investments, especially in the transport and energy sector.

Against this backdrop, with this Master's thesis, I attempt to take a step back to trace the specifics of corporate welfare as distinct from social welfare and deregulatory policies, and to derive implications about partisan position-taking. Two questions immediately come to the fore: First of all, do parties even play any role in corporate welfare politics? And, second, are party positions structured according to party-specific ideological or vote-seeking factors or do they follow country-specific macroeconomic considerations?

Owing to the fact that this Master's thesis does not center around actual policy decisions, the first question cannot be answered in the course of this thesis. It is, thus, left open to what extent parties' positions are reflected in policy decisions – whether parties are able to fulfill their pledges and whether they are consulted at all. Some existing research has doubts in this regard. It is argued that corporate politics takes place on the political backstage and that economic and political globalization promotes policy convergence, MNCs gain power and (trans)national interests take precedence over partisan differences (Strange, 1991; Culpepper, 2010; Mair, 2013; Streeck, 2015; Baccaro and Pontusson, 2016; Babic, Fichtner and Heemskerk, 2017; Bohle and Regan, 2021). Against this backdrop, before presenting insights gained in the course of the empirical analysis done in this thesis, I want to explain why it is still important to engage in debates on party politics in economic policymaking that go beyond social welfare issues: While it is essential to take the contested role of political parties in business-related policies into account, this should not result in scholarship circumventing partisan politics of corporate welfare. First of all, the influence partisan position-taking has on actual state–business deals can be subject to time-sensitive political circumstances – most importantly salience levels in public opinion (Culpepper, 2010). Since salience levels in public opinion are not set in stone and electoral dynamics might shift, party politics has the potential to override business power as seen, for example, with regard to platform regulation (Culpepper and Thelen, 2020) or banking reforms (Keller, 2018). Under these circumstances of noisier politics, business is incentivized to recalibrate their lobbying strategies, power dynamics between capital and labor are expected to defrost and parties should (re-)gain influential strength (Culpepper, 2021). Second of all, it is important to disentangle party- and country-specific drivers of partisan position-taking. Both within-country variation driven by partisan contestation and between-country variation driven by national macroeconomic setups result in specific partisan position-taking.

The empirical part of this thesis examines parties' positions on interventionist business support and its ideological, electoral and macroeconomic explanatory drivers based on an originally compiled data set on corporate welfare claims. A total of 419 manifestos from 225 parties from 25 countries were analyzed using text-as-data methods. In order to test the manifold party- and country-centered hypotheses, it was necessary to perform the analyses on a wide-ranging corpus of political text. The localization of policy claims had to be automated with the help of a dictionary approach which undoubtedly also comes with some weaknesses. To exclude false positives as well as false negatives which both are common in automated text analysis, I compiled the dictionaries in an iterative process based on manifestos pre-coded by the *Comparative Manifesto Project* (Volkens, Burst, Krause, Lehmann, Theres Matthieß et al., 2021). To be able to draw on the pre-coding, I had to limit my analysis to manifesto data on the one hand and restrict the dictionary approach to smaller text units, i.e. quasi-sentences coded by the *Comparative Manifesto Project*, on the other. To check the robustness of the present findings, it is, thus, essential to expand the range of texts and to integrate positioning beyond election campaigns. In addition, the accuracy of the dictionaries could be increased by applying them to natural sentences.

On the one hand, corporate welfare has been located on the state–market continuum and distinguished from non-interventionist deregulatory support. On the other, parties' position-taking in the re-shifting of corporate welfare between different business types – more specifically to small- and medium-sized companies as well as local corporations – has been investigated. In this regard, recent findings from social policy research were linked with current research on the politics of growth models in Comparative Political Economy. Clearly, the analysis shows that calls for supply-side oriented policies such as corporate welfare and deregulation are less frequent in election manifestos than social policy claims. Above all, addressing business types is rare. Nonetheless, the results provide first insights into the politics of corporate welfare:

The first part of the Master's thesis focuses on the definition of corporate welfare as one of two key supply-side measures available to state institutions to support businesses. Following Boix (1998), I differ between deregulation and corporate welfare measures since they can be located at different stages of the state–market continuum. Deregulation simplifies business activities by eliminating state control, reducing bureaucratic hurdles and lowering taxes. Hence, deregulatory policies limit the role of the state in the economy and liberalize markets. Corporate welfare measures, which are also directed at companies, but strengthen the role of the state in economic relations, follow a different principle. Both long-term investments as well as short-term state aid, subsidies, grants, provision of infrastructure and training initiatives are business- but not necessarily market-friendly policy proposals (Farnsworth, 2013). Why does this distinction have, in my view, momentous consequences? Because corporate welfare policies contradict the established equation of state–market with labor–capital dichotomy. As a result, economically left-wing parties are expected to be torn between pro-state and anti-business, while economically right-wing parties are expected to be torn between pro-business and anti-state stances. The empirical analysis confirms the theoretical assumption that the discrepancy between state interventionism and business support is reflected in how parties position themselves with regard to the two policy options. It has shown that, while market-friendly pro-business parties are more likely to support deregulation, and etatist pro-labor parties do not approve of the respective measures, the relationship between support for corporate welfare and parties' economic left-right placement is more complex: Political parties located at the fringes of the economic left-right scale show lower support levels for corporate welfare than parties with centrist views on state–market relations. In fact, the results demonstrate that economically liberal parties place even less emphasis on corporate welfare policies than parties with left-wing economic views.

These empirical findings prompt two important conclusions: On the one hand, the analysis indicates that party-specific ideological differences condition corporate welfare support and that country-specific peculiarities take a backseat. This reinforces the assumption that economic policymaking needs to be examined from a party perspective. On the other, the results exemplify how important it is to reflect on corporate welfare's special position in established logics of state–market and capital–labor relationships. The latter should be taken up and expanded upon in subsequent studies. In this regard, integrating a distinction between commodifiying long-term activating support services and decommodifying short-term compensating state aid would be a fruitful endeavor. This conceptualization is already well established in social policy research (Beramendi et al., 2015; Garritzmann, Häusermann and Palier, 2022) and can provide useful starting points for further corporate welfare analysis that is sensitive toward state–market relationships.

The second part of this Master's thesis more specifically addresses partisan support for targeted corporate welfare. Following existing research on the modernization of welfare states, I argue that relative support for specific corporate policy measures varies with regard to both ideological and electoral considerations (Kriesi et al., 2006; Häusermann, 2018; Bornschier, Häusermann et al., 2021). Moreover, I take existing research on national growth models into account with which the importance of macroeconomic configurations for country-specific economic policymaking is highlighted (Baccaro and Pontusson, 2016; Baccaro and Pontusson, 2022). Consequently, this part of the thesis pursues two goals: On the one hand, it provides a differentiated view of within-party variation taking vote-seeking and non-material ideological explanations into account. On the other hand, the relevance of party-specific drivers for corporate welfare support is contrasted with possible between-country variation linked to macroeconomic setups. In this master's thesis, I focus on party positions on small- and medium-sized enterprises as well as on local companies.

Taking into account that SMEs enjoy high popularity among different constituencies and are linked to a variety of occupational groups, I hypothesize that the explanatory power of economic left-right placement is mitigated and SME support assumes a valence character. This hypothesis could not be corroborated in the empirical analysis. Instead, a curvilinear effect similar to the one on general corporate welfare support is shown. Considering that social policy research on deservingness principles and group appeals suggests that parties focus on groups that are popular with their voters, it can be argued that these vote-seeking considerations play a minor role in corporate welfare politics. Moreover, I argue that the economic left-right placement does not influence corporate welfare targeting at local companies, but that support for these policies depends on partisan stances on (economic) globalization. As it has already shown in social policy research (Ennser-Jedenastik, 2016; Otjes, Ivaldi et al., 2018; Enggist and Pinggera, 2021; Mazzoleni and Ivaldi, 2022), I expect that nationalist parties translate their core ideology into protectionist economic views which goes hand in hand with an increased focus on local business support. This theoretical mechanism is reflected in the empirical data.

This also becomes evident looking at country-specific macroeconomic drivers for parties' position-taking. Considering that economic policy decisions are embedded in national growth strategies (Baccaro and Pontusson, 2016; Baccaro, Blyth and Pontusson, forthcoming; Baccaro and Pontusson, 2022), I assume that support for local as well as small- and medium-sized companies depends on the relevance of the respective business types for national economic success. This implies that in countries in which large companies are more significant for the economic success, the focus on small companies is reduced. In countries in which foreign companies enjoy greater relevance, protectionist economic policies become less important. In short, the empirical analysis provides mixed results in this regard. All in all, unlike in the case of overall support for corporate welfare, when it comes to targeting different business types, macroeconomic setups are decisive. However, they have a different effect on the two types of policies that I have investigated: The hypothesized mechanism is reflected in parties' positioning towards SMEs. In countries in which large companies are more relevant, the focus on SMEs decreases. The opposite seems to be the case when looking at local companies: In countries in which foreign companies are more important for economic success, references to strengthen the local economy via targeted corporate welfare are more frequent.

The analysis of targeted corporate welfare, again, prompts two important conclusions although the evidence is less clear than in the case of overall corporate welfare support: First of all, party-specific differences with regard to SME support suggest that vote-seeking considerations are not central to corporate welfare politics. Otherwise, political parties should feel incentivized to target small- and medium-sized businesses in their economic policy agenda irrespective of their ideological orientation. Keeping Culpepper (2010) in mind who argues that voters do not really care about corporate politics, hence it is situated at the political backstage, the results might still not come as a surprise. Second, since macroeconomic setups play out differently dependent on whether SMEs or local companies are addressed, I argue that the relationship between SMEs and large companies is politicized differently than the one between local and foreign companies. The economic relevance of large companies translates into a reduced focus on popular small- and medium-sized companies. In this regard, the findings reinforce existing research on the politics of country-specific growth models with which it is argued that a cross-class consensus – understood as a Gramscian social bloc – is formed to back up the agents of growth (Baccaro and Pontusson, 2022). The opposite is the case when it comes to support for local versus foreign companies. As foreign companies are more relevant for national growth, parties increase their emphasis on strengthening their local counterparts. Moreover, nationalist parties are more likely to highlight corporate welfare targeted at local businesses. These findings shed light on the contested role of (economic) globalization in economic policymaking and highlight that the transnational-parochial divide is not only driven by cultural or political, but also economic considerations (Kriesi et al., 2006; Dancygier and Walter, 2015; De Vries, 2018; Bornschier, Häusermann et al., 2021). It furthermore underlines potential relevance of (partisan) backlash around economic globalization as attested by Walter (2021) and Mansfield, Milner and Rudra (2021) and the impetus of nationalist parties in economic policymaking (Burgoon and Schakel, 2022).

All of this cannot be resolved on the basis of the available data. But precisely for this reason, the Master's thesis reveals the need for more research on corporate welfare. Further work can contribute to a better understanding of how parties' position-taking translates into actual policy-making. It can shed light on different corporate welfare measures – the ones that tackle long-term and short-term economic goals, financial and in-kind benefits, or policies targeted at different business types. In any case, this thesis has shown that it is important to take both parties' and policies' location on the state–market continuum into account. Moreover, it has demonstrated that bridging social policy research on party-specific ideological and electoral drivers for partisan position-taking with macro-focused work on growth models can be a fruitful endeavor.

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A Appendix

Country Name	Party Name	Party Initials
Austria	Greens Green Alternative	Gruene
	Peter Pilz List	PILZ
	Social Democratic Party of Austria	SPOE
	Freedom Movement	FPOE
	The New Austria	NEOS
	Austrian People's Party	OEVP
Belgium	Francophone Greens	ECOLO
	Green!	G!
	Workers' Party of Belgium	PvdA/PTB
	Socialist Party Different	SPA
	Francophone Socialist Party	PS
	Open Flemish Liberals and Democrats	openVLD
	Reform Movement	MR
	List Dedecker	LD
	Christian Democrats	Flemish CDV
	Democratic and Humanist Center	CDH
	Flemish Interest	VB
Bulgaria	Reformist Bloc	RB
	Patriotic Front	NFSB i VMRO
	Coalition for Bulgaria	KzB
	BSP - Left Bulgaria	BSP-KP
	Alternative for Bulgarian Revival	ABV
	Citizens for European Development of Bulgaria	GERB
	Bulgaria Without Censorship	BBZ
	Volya	V
	Attack Coalition	Ataka
Croatia	For Prime Minister Coalition	PMC
	Croatian Labourists - Labour Party	HL - SR
	People's Party - Reformists	NS
	Bridge of Independent Lists	MOST
	Croatian Democratic Union	HDZ
	Croatian Peasant Party	HSS
Cyprus	Ecological and Environmental Movement-Cyprus Green Party	KOP
	Progressive Party of the Working People	AKEL
	Movement for Social Democracy	EDEK
	Citizens' Alliance	SP
	Democratic Party	DIKO
	The European Party	EK
	Solidarity Movement	KA
	Democratic Coalition	DISY
	National People's Front	ELAM
Czech Republic	Green Party	SZ
	Communist Party of Bohemia and Moravia	KSCM
	Czech Social Democratic Party	CSSD
	Civic Democratic Party	ODS

	Action of Dissatisfied Citizens	ANO 2011
	Christian Democratic Union - Czech Peoples Party	KDU-CSL
	Tradition Responsibility Prosperity 09	TOP 09
	Mayors and Independents	STAN
	Dawn of Direct Democracy	Usvit
	Freedom and Direct Democracy – Tomio Okamura	SPD
Denmark	Liberal Alliance	LA
	The Alternative	A
	Red-Green Unity List	EL
	Socialist People's Party	SF
	Social Democrats	SD
	Danish Social Liberal Party	RV
	Left, Denmark's Liberal Party	Venstre
	Conservative People's Party	KF
	The New Right	NB
Estonia	Estonian Greens	EER
	Social Democratic Party	SDE
	Estonian Centre Party	EKK
	Estonian Reform Party	ER
	Estonian Free Party	EV
	Pro Patria and Res Publica Union	IRL
	Estonian People's Union	R
	Conservative People's Party of Estonia	EKRE
Finland	Green League	Vihr
	Left-Wing Alliance	VAS
	Finnish Social Democratic Party	SSDP
	Movement Now	LN
	Christian Democrats	KD
	National Coalition	KK
	Centre Party of Finland	Kesk
	Finns Party	PS
France	Left Front	FDG
	Europe Ecology - The Greens	EELV
	French Communist Party	PCF
	Left Radical Party	PRG
	Unsubmissive France	FI
	Socialist Party	PS
	Radical Party	PR/RRRS
	Forward!	En Marche!
	Union of Democrats and Independents	UDI
	Democratic Movement	MoDem
	Union for a Popular Movement	UMP
	New Centre	NC
	Centrist Alliance	AC
	National Front	FN
Germany	Alliance 90/Greens	B90/Gruene
	The Left	L
	Social Democratic Party of Germany	SPD
	Free Democratic Party	FDP
	Christian Democratic Union	CDU
	Alternative for Germany	AfD

Greece	Coalition of the Radical Left	SYRIZA
	Coalition of the Radical Left	SYRIZA
	Democratic Left	DIMAR
	Popular Unity	LAE
	Pan-Hellenic Socialist Movement	PASOK
	The River	Potami
	Union of Centrists	EK (1992)
	New Democracy	ND
	Popular Orthodox Rally	LAOS
	Independent Greeks	ANEL
Hungary	Politics Can Be Different	LMP
	Hungarian Socialist Party	MSZP
	Democratic Coalition	DK
	Hungarian Social Democratic Party	MSZDP
	Together - Party for a New Era	Egyuett
	Fidesz - Christian Democratic Peoples Party	FIDESZ - KDNP
	The Movement for a Better Hungary	Jobbik
Ireland	Green Party/Comhaontas Glas	GP
	Socialist Party	SP
	People Before Profit Alliance	PBPA
	Anti-Austerity Alliance	AAA
	Workers and Unemployed Action	WUA
	Irish Labour Party	ILP
	Social Democrats	DS
	Tribe of Gaels/Family of the Irish	FG
	Warriors of Destiny	FF
Italy	Civil Revolution	RC
	Together	I
	Free and Equal	LeU
	Popular Civic List	CP
	Us with Italy-Union of the Centre	NcI-UDC
	People of Freedom	IPdL
	Left Ecology Freedom	SEL
	Democratic Party	PD
	Democratic Centre - Rights and Freedom	CD
	More Europe	+E
	Civic Choice	SC
	Union of the Centre	UC
	Forward Italy	FI
	Brothers of Italy	FDI
	Northern League	LN
Latvia	Harmony Centre	SC
	Development/For!	AP!
	Unity	V
	National Alliance "All For Latvia!"	VL - TB/LNNK
	Union of Greens and Farmers	ZZS
	Social Democratic Party "Harmony"	SDPS
	Zatlers' Reform Party	ZRP
	For Latvia From The Heart	NSL
	New Conservative Party	JKP

Lithuania	Lithuanian Social Democratic Party	LSDP
	Labour Party	DP
	Liberals' Movement of the Republic of	LRLS
	Order and Justice	PTT
	Homeland Union - Lithuanian Christian Democrats	TS-LKD
	Lithuanian Peasant and Greens Union	LVZS
Luxembourg	The Greens	DG
	The Left	DL
	Socialist Worker's Party of Luxembourg	POSL/LSAP
	Democratic Party	PD/DP
	Christian Social Party	PCS/CSV
Netherlands	Green Left	GL
	Socialist Party	SP
	Labour Party	PvdA
	Think	DENK
	Democrats '66	D'66
	People's Party for Freedom and Democracy	VVD
	Christian Democratic Appeal	CDA
	Christian Union	CU
	Party for Freedom	PVV
	Forum for Democracy	FvD
Poland	Civic Coalition	KO
	Polish Coalition	KP (2019)
	Confederation Liberty and Independence	KWiN
	Alliance of the Democratic Left	SLD
	Citizens' Platform	PO
	Law and Justice	PiS
	Palikot Movement	RP
	Modern	N
	Polish Peasants' Party	PSL
Romania	Social Liberal Union	USL
	Right Romania Alliance	ARD
	Social Democratic Party	PSD (2001)
	Alliance of Liberals and Democrats	ALDE
	National Liberal Party	PNL
	Save Romania Union	USR
	People's Movement Party	PMP
	People's Party - Dan Diaconescu	PP-DD
Slovakia	Direction-Social Democracy	Smer-SD
	Freedom and Solidarity	SaS
	Christian Democratic Movement	KDH
	Slovak Democratic and Christian Union - Democratic Party	SDKU-DD
	Ordinary People and Independent Personalities	OLaNO
	Network	#SIET
	Slovak National Party	SNS
	People's Party - Movement for Democratic Slovakia	LS-HZDS
	People's Party Our Slovakia	Kotleba
	We Are Family-Boris Kollar	SR
Slovenia	United Left	ZL (2014)
	The Left	LEVICA
	Social Democrats	SD

	Slovenian Democratic Party	SDS
	Zoran Jankovic's List - Positive Slovenia	LZJ-PS
	List of Marjan Šarec	LMS
	Liberal Democracy of Slovenia	LDS (1994)
	For Real - New Politics	ZARES
	Gregor Virant's Civic List	LGV
	Alliance of Alenka Bratusek	ZaAB
	Party of Miro Cerar	SMC
	Slovenian Peoples Party	SLS
	New Slovenia - Christian People's Party	NSi
	Slovenian National Party	SNS
Spain	Popular Unity	UP
	We can	PODEMOS
	United Left - Green List	IU-LV
	More Country	MP
	Spanish Socialist Workers' Party	PSOE
	Citizens	C's
	Union, Progress and Democracy	UPyD
	People's Party	PP
	VOX	VOX
Sweden	Green Ecological Party	MPG
	Left Party	VP
	Social Democratic Labour Party	SdAP
	Liberal People's Party	FP
	Christian Democrats	KD
	Moderate Party	MP
	Sweden Democrats	SD
	Centre Party	CP

Table A.1: Case Selection - Party-Level

```
"monopol\S*", "admin\S* burd\S*", "stat\S* burd\S*", "over-regulat\S*","overregulat\S*", "administrat\S*",
"competit\S*", "dereg\S*", "liberalis\S*", "privatiz\S*",
"free\S*\W+(?:\w+\W+){0,10}?(market\S*|business\S*|enterpr\S*)",
"eliminat\S*\W+(?:\w+\W+){0,10}?(burden\S*|cost\S*|hasset\S*|liabili\S*|rot\S*|pay\S*|interest\S*|vat\S*|tax\S*|con
tribut\S*|admin\S*|bureaucra\S*|restrict\S*|barrier\S*|penal\S*|charg\S*|state\S*|public\S*|intervent\S*|ban\S*)",
"low\S*\W+(?:\w+\W+){0,10}?(burden\S*|cost\S*|hasset\S*|liabili\S*|rot\S*|pay\S*|interest\S*|vat\S*|tax\S*|contribu
t\S*|admin\S*|bureaucra\S*|restrict\S*|barrier\S*|penal\S*|charg\S*|state\S*|public\S*|intervent\S*|ban\S*)",
"reduc\S*\W+(?:\w+\W+){0,10}?(burden\S*|cost\S*|hasset\S*|liabili\S*|rot\S*|pay\S*|interest\S*|vat\S*|tax\S*|contri
but\S*|admin\S*|bureaucra\S*|restrict\S*|barrier\S*|penal\S*|charg\S*|state\S*|public\S*|intervent\S*|ban\S*)",
"eas\S*\W+(?:\w+\W+){0,10}?(burden\S*|cost\S*|hasset\S*|liabili\S*|rot\S*|pay\S*|interest\S*|vat\S*|tax\S*|contribu
t\S*|admin\S*|bureaucra\S*|restrict\S*|barrier\S*|penal\S*|charg\S*|state\S*|public\S*|intervent\S*|ban\S*)",
"simpl\S*\W+(?:\w+\W+){0,10}?(burden\S*|cost\S*|hasset\S*|liabili\S*|rot\S*|pay\S*|interest\S*|vat\S*|tax\S*|contri
but\S*|admin\S*|bureaucra\S*|restrict\S*|barrier\S*|penal\S*|charg\S*|state\S*|public\S*|intervent\S*|ban\S*)" ,
"remov\S*\W+(?:\w+\W+){0,10}?(burden\S*|cost\S*|hasset\S*|liabili\S*|rot\S*|pay\S*|interest\S*|vat\S*|tax\S*|contri
but\S*|admin\S*|bureaucra\S*|restrict\S*|barrier\S*|penal\S*|charg\S*|state\S*|public\S*|intervent\S*|ban\S*)",
"no\S*\W+(?:\w+\W+){0,10}?(burden\S*|cost\S*|hasset\S*|liabili\S*|rot\S*|pay\S*|interest\S*|vat\S*|tax\S*|contribut\
S*|admin\S*|bureaucra\S*|restrict\S*|barrier\S*|penal\S*|charg\S*|state\S*|public\S*|intervent\S*|ban\S*)",
"abolish\S*\W+(?:\w+\W+){0,10}?(burden\S*|cost\S*|hasset\S*|liabili\S*|rot\S*|pay\S*|interest\S*|vat\S*|tax\S*|cont
ribut\S*|admin\S*|bureaucra\S*|restrict\S*|barrier\S*|penal\S*|charg\S*|state\S*|public\S*|intervent\S*|ban\S*)",
"reject\S*\W+(?:\w+\W+){0,10}?(burden\S*|cost\S*|hasset\S*|liabili\S*|rot\S*|pay\S*|interest\S*|vat\S*|tax\S*|contri
but\S*|admin\S*|bureaucra\S*|restrict\S*|barrier\S*|penal\S*|charg\S*|state\S*|public\S*|intervent\S*|ban\S*)",
"harmon\S*\W+(?:\w+\W+){0,10}?(burden\S*|cost\S*|hasset\S*|liabili\S*|rot\S*|pay\S*|interest\S*|vat\S*|tax\S*|cont
ribut\S*|admin\S*|bureaucra\S*|restrict\S*|barrier\S*|penal\S*|charg\S*|state\S*|public\S*|intervent\S*|ban\S*)",
"(burden\S*|cost\S*|hasset\S*|liabili\S*|rot\S*|pay\S*|interest\S*|vat\S*|tax\S*|contribut\S*|admin\S*|bureaucra\S*|r
estrict\S*|barrier\S*|penal\S*|charg\S*|state\S*|public\S*|intervent\S*|ban\S*)\W+(?:\w+\W+){0,10}?eliminat",
"(burden\S*|cost\S*|hasset\S*|liabili\S*|rot\S*|pay\S*|interest\S*vat|\S*|tax\S*|contribut\S*|admin\S*|bureaucra\S*|r
estrict\S*|barrier\S*|penal\S*|charg\S*|state\S*|public\S*|intervent\S*|ban\S*)\W+(?:\w+\W+){0,10}?low\S*",
"(burden\S*|cost\S*|hasset\S*|liabili\S*|rot\S*|pay\S*|interest\S*|vat\S*|tax\S*|contribut\S*|admin\S*|bureaucra\S*|r
estrict\S*|barrier\S*|penal\S*|charg\S*|state\S*|public\S*|intervent\S*|ban\S*)\W+(?:\w+\W+){0,10}?reduc",
"(burden\S*|cost\S*|hasset\S*|liabili\S*|rot\S*|pay\S*|interest\S*|vat\S*|vat\S*|tax\S*|contribut\S*|admin\S*|bureauc
ra\S*|restrict\S*|barrier\S*|penal\S*|charg\S*|state\S*|public\S*|intervent\S*|ban\S*)\W+(?:\w+\W+){0,10}?eas\S*",
"(burden\S*|cost\S*|hasset\S*|liabili\S*|rot\S*|pay\S*|interest\S*|vat\S*|vat\S*|tax\S*|contribut\S*|admin\S*|bureauc
ra\S*|restrict\S*|barrier\S*|penal\S*|charg\S*|state\S*|public\S*|intervent\S*|ban\S*)\W+(?:\w+\W+){0,10}?simpl\S*"
,"(burden\S*|cost\S*|hasset\S*|liabili\S*|rot\S*|pay\S*|interest\S*|vat\S*|vat\S*|tax\S*|contribut\S*|admin\S*|bureau
cra\S*|restrict\S*|barrier\S*|penal\S*|charg\S*|state\S*|public\S*|intervent\S*|ban\S*)\W+(?:\w+\W+){0,10}?remov\
S*","(burden\S*|cost\S*|hasset\S*|liabili\S*|rot\S*|pay\S*|interest\S*|vat\S*|vat\S*|tax\S*|contribut\S*|admin\S*|bure
aucra\S*|restrict\S*|barrier\S*|penal\S*|charg\S*|state\S*|public\S*|intervent\S*|ban\S*)\W+(?:\w+\W+){0,10}?low\S
*","(burden\S*|cost\S*|hasset\S*|liabili\S*|rot\S*|pay\S*|interest\S*|vat\S*|vat\S*|tax\S*|contribut\S*|admin\S*|burea
ucra\S*|restrict\S*|barrier\S*|penal\S*|charg\S*|state\S*|public\S*|intervent\S*|ban\S*)\W+(?:\w+\W+){0,10}?reject\
S*","(burden\S*|cost\S*|hasset\S*|liabili\S*|rot\S*|pay\S*|interest\S*|vat\S*|vat\S*|tax\S*|contribut\S*|admin\S*|bure
aucra\S*|restrict\S*|barrier\S*|penal\S*|charg\S*|state\S*|public\S*|intervent\S*|ban\S*)\W+(?:\w+\W+){0,10}?harm
on\S*","(improv\S*|bette\S*|favor\S*)\W+(?:\w+\W+){0,10}?condition\S*","(improv\S*|bette\S*|favor\S*)\W+(?:\w+\
W+){0,10}?climate\S*", "(max\S*|more\S*)\W+(?:\w+\W+){0,10}?space\S*",
"(maintain\S*)\W+(?:\w+\W+){0,10}?rate\S*","more\S*\W+(?:\w+\W+){0,10}?space\S*",
"less\W+(?:\w+\W+){0,10}?strict", "(no|without\S*|limited\S*)\W+(?:\w+\W+){0,10}?fee\S*",
"(no|without\S*|limited\S*)\W+(?:\w+\W+){0,10}?cost\S*"
```

Figure A.1: Dependent Variables - Deregulatory-Dictionary

"tax\S* discount\S*", "tax\S* deduct\S*", "tax\S* exemp\S*", "tax\S* benefit\S*", "tax\S* relief\S*", "tax\S* break\S*", "tax\S* credit\S*", "tax\S* defferal\S*", "bonus", "tax\S* incentiv\S*", "refund", "discount\S* tax\S*", "deduct\S* tax\S*", "exemp\S* tax\S* ", "benefit\S* tax\S* ", "relief\S* tax\S* ", "break\S* tax\S*", "credit\S* tax\S*", "defferal\S*, tax\S*", "bonus", "incentiv\S* tax\S*", "refund", "interest\S* discount\S*", "interest\S* deduct\S*", "interest\S* exemp\S*", "interest\S* benefit\S*", "interest\S* relief\S*", "interest\S* break\S*", "interest\S* credit\S*", "interest\S* defferal\S*", "interest\S* incentiv\S*", "discount\S* interest\S*", "deduct\S* interest\S*", "exemp\S* interest\S*", "benefit\S* interest\S*", "relief\S* interest\S*", "break\S* interest\S*", "credit\S* interest\S*", "defferal\S* interest\S*", "incentiv\S* interest\S*", "infrastructure\S*", "education\S*", "skill\S*", "research\S*", "r&d\S*", "investmen\S*", "(activ\S*|expan\S*)\W+(?:\w+\W+){0,10}?policy\S*", "subsid\S*", "fond\S*", "fund\S*", "public-private\S*", "pp-partner\S*", "grant\S*", "state aid\S*", "procurement\S*", "microcredit\S*", "venture capital\S*","assistance\S*", "stimul\S*", "reimburs\S*",
"support\S*\W+(?:\w+\W+){0,10}?(business\S*|corporat\S*|firm\S*|sector\S*|enterpr\S*|entrepr\S*|industr\S*|compani\S*|job\S*)","(improv\S*|expand\S*)\W+(?:\w+\W+){0,10}?lending","(state\S*|gov\S*|public\S*|multipal\S*)\W+(?:\w+\W+){0,10}?project\S*","(state\S*|gov\S*|public\S*|multipal\S*)\W+(?:\w+\W+){0,10}?investment\S*","(state\S*|gov\S*|public\S*|multipal\S*)\W+(?:\w+\W+){0,10}?financ\S*",
"(state\S*|gov\S*|public\S*|multipal\S*)\W+(?:\w+\W+){0,10}?paym\S*",
"(state\S*|gov\S*|public\S*|multipal\S*)\W+(?:\w+\W+){0,10}?invest\S*",
"(state\S*|gov\S*|public\S*|multipal\S*)\W+(?:\w+\W+){0,10}?ressourc\S*",
"(state\S*|gov\S*|public\S*|multipal\S*)\W+(?:\w+\W+){0,10}?pay\S*",
"(state\S*|gov\S*|public\S*|multipal\S*)\W+(?:\w+\W+){0,10}?benefit\S*",
"(business\S*|corporat\S*|firm\S*|sector\S*|entr\S*|enter\S*|industr\S*|compani\S*|job\S*)\W+(?:\w+\W+){0,10}?support\S*","investment\S*\W+(?:\w+\W+){0,10}?(state|gov|public|multipal)","finan\S*\W+(?:\w+\W+){0,10}?(state|gov|public|multipal)", "paym\S*\W+(?:\w+\W+){0,10}?(state|gov|public|multipal)",
"invest\S*\W+(?:\w+\W+){0,10}?(state|gov|public|multipal)",
"resorc\S*\W+(?:\w+\W+){0,10}?(state|gov|public|multipal)",
"pay\S*\W+(?:\w+\W+){0,10}?(state|gov|public|multipal)",
"benefit\S*\W+(?:\w+\W+){0,10}?(state|gov|public|multipal)"

Figure A.2: Dependent Variables - Corporate Welfare-Dictionary

"good\S*", "entrepreneurship\S*", "enterpreneurship\S*", "subsid\S*", "fond\S*", "fund\S*", "grant\S*", "state aid\S*", "procurement\S*", "enterprise\S*", "entreprise\S*", "microcredit\S*", "training\S*\S*", "market", "competitiv\S*", "proprietor\S*", "owne\S*", "econom\S*", "business\S*", "compani\S*", "corporation\S*", "enterpr\S*", "firm\S*", "sector\S*", "industr\S"

Figure A.3: Dependent Variables - Company-Dictionary

"small\S*\W+(?:\w+\W+){0,4}?(proprietor\S*|owner\S*|player\S*|econom\S*|business\S*|corporat\S*|firm\S*|sector\S*|entrepr\S*|enterpr\S*|industr\S*|compani\S*)",
"start\S*\W+(?:\w+\W+){0,4}?(proprietor\S*|owner\S*|player\S*|econom\S*|business\S*|corporat\S*|firm\S*|sector\S*|entrepr\S*|enterpr\S*|industr\S*|compani\S*)",
"new\S*\W+(?:\w+\W+){0,4}?(proprietor\S*|owner\S*|player\S*|econom\S*|business\S*|corporat\S*|firm\S*|sector\S*|entrepr\S*|enterpr\S*|industr\S*|compani\S*)","sole\S*\W+(?:\w+\W+){0,4}?(proprietor\S*|owner\S*|player\S*|econom\S*|business\S*|corporat\S*|firm\S*|sector\S*|entrepr\S*|enterpr\S*|industr\S*|compani\S*)",
"medium\S*\W+(?:\w+\W+){0,4}?(proprietor\S*|owner\S*|player\S*|econom\S*|business\S*|corporat\S*|firm\S*|sector\S*|entrepr\S*|enterpr\S*|industr\S*|compani\S*)", "sme", "smes", "kmu",
"little\S*\W+(?:\w+\W+){0,4}?(proprietor\S*|owner\S*|player\S*|econom\S*|business\S*|corporat\S*|firm\S*|sector\S*|entrepr\S*|enterpr\S*|industr\S*|compani\S*)",
"micro\S*\W+(?:\w+\W+){0,4}?(proprietor\S*|owner\S*|player\S*|econom\S*|business\S*|corporat\S*|firm\S*|sector\S*|entrepr\S*|enterpr\S*|industr\S*|compani\S*)", "one person", "one-person", "start up", "start-up", "small- and medium"]

Figure A.4: Dependent Variables - Small-Dictionary

```
"our\S\W+(?:\w+\W+){0,4}?(proprietor\S*|owner\S*|player\S*|econom\S*|business\S*|corporat\S*|firm\S*|sector\S*
|entrepr\S*|enterpr\S*|industr\S*|compani\S*)",
"local\S*\W+(?:\w+\W+){0,4}?(proprietor\S*|owner\S*|player\S*|econom\S*|business\S*|corporat\S*|firm\S*|sector\
S*|entrepr\S*|enterpr\S*|industr\S*|compani\S*)",
"national\S*\W+(?:\w+\W+){0,4}?(proprietor\S*|owner\S*|player\S*|econom\S*|business\S*|corporat\S*|firm\S*|sect
or\S*|entrepr\S*|enterpr\S*|industr\S*|compani\S*)",
"regional\S*\W+(?:\w+\W+){0,4}?(proprietor\S*|owner\S*|player\S*|econom\S*|business\S*|corporat\S*|firm\S*|sec
tor\S*|entrepr\S*|enterpr\S*|industr\S*|compani\S*)",
"municipal\S*\W+(?:\w+\W+){0,4}?(proprietor\S*|owner\S*|player\S*|econom\S*|business\S*|corporat\S*|firm\S*|se
ctor\S*|entrepr\S*|enterpr\S*|industr\S*|compani\S*)",
"domestic\S*\W+(?:\w+\W+){0,4}?(proprietor\S*|owner\S*|player\S*|econom\S*|business\S*|corporat\S*|firm\S*|se
ctor\S*|entrepr\S*|enterpr\S*|industr\S*|compani\S*)",
"nativ\S*\W+(?:\w+\W+){0,4}?(proprietor\S*|owner\S*|player\S*|econom\S*|business\S*|corporat\S*|firm\S*|sector\
S*|entrepr\S*|enterpr\S*|industr\S*|compani\S*)",
"(austrian\S*|german\S*|belgian\S*|croatian\S*|cyprian\S*|czech\S*|danish\S*|estonian\S*|finnish\S*|french\S*|gre
ek\S*|hungarian\S*|irish\S*|italian\S*|luxembourgian\S*|lithuanian\S*|dutch\S*|polish\S*|romanian\S*|slovak\S*|slo
venian\S*|spanish\S*|swedish\S*)\W+(?:\w+\W+){0,4}?(proprietor\S*|owner\S*|player\S*|econom\S*|business\S*|c
orporat\S*|firm\S*|sector\S*|entrepr\S*|enterpr\S*|industr\S*|compani\S*)"
```

Figure A.5: Dependent Variables - Local-Dictionary

Category	Deregulation	CW	CW (Small)	CW (Local)
Free Market Economy	28.0	0.0	0.0	0.0
Incentives: Positive	22.9	25.9	6.2	1.8
Market Regulation	0.0	11.1	1.0	0.4
Economic Planning	12.7	20.3	0.7	0.6
Protectionism: Positive	0.0	13.0	1.5	3.4
Protectionism: Negative	16.3	0.0	0.0	0.0
Economic Growth: Positive	14.4	15.8	1.1	1.0
Technology and Infrastructure: Positive	4.8	17.3	0.9	0.6
Economic Orthodoxy	18.9	0.0	0.0	0.0
Sustainability: Positive	4.3	9.1	0.4	0.2

Table A.2: Dependent Variables - Dictionary Hits as Percentages in *CMP* Categories

	A1.M.1	A1.M.2	A1.M.3
Economic Left-Right	0.015^{***}	0.015^{***}	0.015^{***}
	(0.001)	(0.002)	(0.002)
GDP Growth			-0.000
			(0.002)
Logged GDP			0.014
			(0.014)
State Deficit			-0.003
			(0.002)
State Capacity			0.047
			(0.055)
Deindustralization			-0.213^{*}
			(0.094)
Small States			0.012
			(0.012)
% Uncoded Statements		-0.004^{+}	-0.004^{*}
		(0.002)	(0.002)
Logged Length Economic Policy Agenda		-0.006^{*}	-0.006^{*}
		(0.003)	(0.003)
Constant	-0.001	0.055^{+}	0.034
	(0.008)	(0.030)	(0.094)
Country Intercept	0.023^{***}	0.019^{***}	0.009^{***}
	(0.005)	(0.006)	(0.011)
Random Residuals	0.070^{***}	0.069^{***}	0.070^{***}
	(0.015)	(0.014)	(0.014)
Observations	419	419	419
N (Countries)	25	25	25
Year Dummies	✓	✓	✓
Robust Std. Err.	✓	✓	✓

Standard errors in parentheses
$^{+}$ $p < 0.10$, * $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

Table A.3: Results - Multi-level Mixed Model (Country Intercept): Support for Deregulatory Policies

	A1.M.4	A1.M.5	A1.M.6
Economic Left-Right	0.033***	0.031***	0.030***
	(0.006)	(0.006)	(0.006)
Economic Left-Right Squared	-0.004***	-0.004***	-0.003***
	(0.001)	(0.001)	(0.001)
GDP Growth			0.003
			(0.002)
Logged GDP			-0.017
			(0.019)
State Deficit			-0.003+
			(0.002)
State Capacity			-0.102
			(0.117)
Deindustralization			-0.012
			(0.117)
Small States			0.012
			(0.011)
% Uncoded Statements		-0.005*	-0.005*
		(0.002)	(0.002)
Logged Length Economic Policy Agenda		0.000	0.000
		(0.002)	(0.002)
Constant	0.044**	0.051*	0.294**
	(0.014)	(0.024)	(0.113)
Country Intercept	0.030***	0.030***	0.023***
	(0.004)	(0.005)	(0.006)
Random Residuals	0.061***	0.060***	0.060***
	(0.006)	(0.006)	(0.006)
Observations	419	419	419
N (Countries)	25	25	25
Year Dummies	✓	✓	✓
Robust Std. Err.	✓	✓	✓

Standard errors in parentheses
$^{+}$ $p < 0.10$, * $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

Table A.4: Results - Multi-level Mixed Model (Country Intercept): Support for Corporate Welfare Policies

	A1.M.7	A1.M.8	A1.M.9	A1.M.10
Economic Left-Right	0.008***	0.008***	0.008***	0.008***
	(0.002)	(0.002)	(0.002)	(0.002)
Economic Left-Right Squared	-0.001***	-0.001***	-0.001***	-0.001***
	(0.000)	(0.000)	(0.000)	(0.000)
Value Added (Large Companies)			-0.009	-0.022*
			(0.013)	(0.011)
GDP Growth				0.002**
				(0.001)
Logged GDP				0.006
				(0.004)
State Deficit				-0.001
				(0.001)
State Capacity				-0.023
				(0.022)
Deindustralization				-0.051*
				(0.025)
Small States				0.000
				(0.002)
% Uncoded Statements		-0.001	-0.001	-0.001
		(0.001)	(0.001)	(0.001)
Logged Length Economic Policy Agenda		-0.002**	-0.002**	-0.002**
		(0.001)	(0.001)	(0.001)
Constant	-0.009*	0.007	0.010	-0.001
	(0.003)	(0.005)	(0.007)	(0.025)
Country Intercept	0.004***	0.002***	0.002**	0.000
	(0.002)	(0.003)	(0.003)	(0.052)
Random Residuals	0.022***	0.021***	0.021***	0.021***
	(0.004)	(0.003)	(0.003)	(0.003)
Observations	419	419	419	419
N (Countries)	25	25	25	25
Year Dummies	✓	✓	✓	✓
Robust Std. Err.	✓	✓	✓	✓

Standard errors in parentheses
$^{+}$ $p < 0.10$, * $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

Table A.5: Results - Multi-level Mixed Model (Country Intercept): Support for Corporate Welfare Policies (Small)

	A1.M.11	A1.M.12	A1.M.13	A1.M.14
Economic Left-Right	0.003*	0.002*	0.002*	0.002+
	(0.001)	(0.001)	(0.001)	(0.001)
Economic Left-Right Squared	-0.000+	-0.000*	-0.000*	-0.000+
	(0.000)	(0.000)	(0.000)	(0.000)
Nationalist Party		0.013***	0.013***	0.013***
		(0.004)	(0.004)	(0.004)
Value Added (Foreign Companies)			0.022**	0.017*
			(0.008)	(0.007)
GDP Growth				0.001
				(0.000)
Logged GDP				0.002
				(0.003)
State Deficit				-0.000
				(0.000)
State Capacity				0.003
				(0.015)
Deindustralization				-0.029*
				(0.014)
Small States				0.002
				(0.002)
% Uncoded Statements		-0.001**	-0.001*	-0.001*
		(0.000)	(0.000)	(0.000)
Logged Length Economic Policy Agenda		-0.000	-0.000	-0.000
		(0.000)	(0.000)	(0.000)
Constant	-0.004	0.001	-0.008+	-0.006
	(0.002)	(0.004)	(0.005)	(0.019)
Country Intercept	0.003***	0.004***	0.002***	0.002***
	(0.002)	(0.002)	(0.002)	(0.003)
Random Residuals	0.014***	0.013***	0.013***	0.013***
	(0.002)	(0.002)	(0.002)	(0.002)
Observations	419	419	419	419
N (Countries)	25	25	25	25
Year Dummies	✓	✓	✓	✓
Robust Std. Err.	✓	✓	✓	✓

Standard errors in parentheses

$^{+}$ $p < 0.10$, * $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

Table A.6: Results - Multi-level Mixed Model (Country Intercept): Support for Corporate Welfare Policies (Local)

	A2.M.1	A2.M.2	A2.M.3
Economic Left-Right	0.015***	0.015***	0.015***
	(0.001)	(0.002)	(0.002)
GDP Growth			-0.000
			(0.002)
Logged GDP			0.014
			(0.014)
State Deficit			-0.003
			(0.002)
State Capacity			0.047
			(0.055)
Deindustralization			-0.213*
			(0.094)
Small States			0.012
			(0.012)
% Uncoded Statements		-0.004+	-0.004*
		(0.002)	(0.002)
Logged Length Economic Policy Agenda		-0.006*	-0.006*
		(0.003)	(0.003)
Constant	-0.001	0.055+	0.034
	(0.008)	(0.030)	(0.094)
Country Intercept	0.023***	0.019*	0.009
	(0.005)	(0.038)	(0.261)
Election Intercept	0.000***	0.000	0.000
	(0.000)	(3.482)	(0.024)
Random Residuals	0.070***	0.069***	0.070***
	(0.015)	(0.016)	(0.026)
Observations	419	419	419
N (Countries)	25	25	25
N (Elections)	68	68	68
Year Dummies	✓	✓	✓
Robust Std. Err.	✓	✓	✓

Standard errors in parentheses
$^{+}$ $p < 0.10$, * $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

Table A.7: Results - Multi-level Mixed Model (Country and Election Intercept): Support for Deregulatory Policies

	A2.M.4	A2.M.5	A2.M.6
Economic Left-Right	0.033***	0.031***	0.030***
	(0.006)	(0.006)	(0.006)
Economic Left-Right Squared	-0.004***	-0.004***	-0.003***
	(0.001)	(0.001)	(0.001)
GDP Growth			0.003
			(0.002)
Logged GDP			-0.017
			(0.019)
State Deficit			-0.003+
			(0.002)
State Capacity			-0.102
			(0.117)
Deindustralization			-0.012
			(0.117)
Small States			0.012
			(0.011)
% Uncoded Statements		-0.005*	-0.005*
		(0.002)	(0.002)
Logged Length Economic Policy Agenda		0.000	0.000
		(0.002)	(0.002)
Constant	0.044**	0.051*	0.294**
	(0.014)	(0.024)	(0.113)
Country Intercept	0.030+	0.030	0.023+
	(0.058)	(14.152)	(0.052)
Election Intercept	0.000	0.000	0.000
	(1.654)	(3.3e+07)	(0.467)
Random Residuals	0.061***	0.060	0.060***
	(0.040)	(6.208)	(0.021)
Observations	419	419	419
N (Countries)	25	25	25
N (Elections)	68	68	68
Year Dummies	✓	✓	✓
Robust Std. Err.	✓	✓	✓

Standard errors in parentheses
$^{+}$ $p < 0.10$, * $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

Table A.8: Results - Multi-level Mixed Model (Country and Election Intercept): Support for Corporate Welfare Policies

	A2.M.7	A2.M.8	A2.M.9	A2.M.10
Economic Left-Right	0.008***	0.009***	0.008***	0.008***
	(0.002)	(0.002)	(0.002)	(0.002)
Economic Left-Right Squared	-0.001***	-0.001***	-0.001***	-0.001***
	(0.000)	(0.000)	(0.000)	(0.000)
Value Added (Large Companies)			-0.009	-0.022*
			(0.013)	(0.011)
GDP Growth				0.002**
				(0.001)
Logged GDP				0.006
				(0.004)
State Deficit				-0.001
				(0.001)
State Capacity				-0.023
				(0.022)
Deindustralization				-0.051*
				(0.025)
Small States				0.000
				(0.002)
% Uncoded Statements		-0.001	-0.001	-0.001
		(0.001)	(0.001)	(0.001)
Logged Length Economic Policy Agenda		-0.002**	-0.002**	-0.002**
		(0.001)	(0.001)	(0.001)
Constant	-0.009*	0.007	0.010	-0.001
	(0.003)	(0.005)	(0.007)	(0.025)
Country Intercept	0.003***	0.000	0.000	0.000
	(0.002)	(0.000)	(0.000)	(0.000)
Election Intercept	0.002***	0.003***	0.003***	0.000
	(0.003)	(0.002)	(0.002)	(0.000)
Random Residuals	0.022***	0.021***	0.021***	0.021***
	(0.004)	(0.003)	(0.003)	(0.003)
Observations	419	419	419	419
N (Countries)	25	25	25	25
N (Elections)	68	68	68	68
Year Dummies	✓	✓	✓	✓
Robust Std. Err.	✓	✓	✓	✓

Standard errors in parentheses
$^{+}$ $p < 0.10$, * $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

Table A.9: Results - Multi-level Mixed Model (Country and Election Intercept): Support for Corporate Welfare Policies (Small)

	A2.M.11	A2.M.12	A2.M.13	A2.M.14
Economic Left-Right	0.003*	0.002*	0.002*	0.002+
	(0.001)	(0.001)	(0.001)	(0.001)
Economic Left-Right Squared	-0.000+	-0.000*	-0.000*	-0.000+
	(0.000)	(0.000)	(0.000)	(0.000)
Nationalist Party		0.013***	0.013***	0.013***
		(0.004)	(0.004)	(0.004)
Value Added (Foreign Companies)			0.022**	0.017*
			(0.008)	(0.007)
GDP Growth				0.001
				(0.000)
Logged GDP				0.002
				(0.003)
State Deficit				-0.000
				(0.000)
State Capacity				0.003
				(0.015)
Deindustralization				-0.029*
				(0.014)
Small States				0.002
				(0.002)
% Uncoded Statements		-0.001**	-0.001*	-0.001*
		(0.000)	(0.000)	(0.000)
Logged Length Economic Policy Agenda		-0.000	-0.000	-0.000
		(0.000)	(0.000)	(0.000)
Constant	-0.004	0.001	-0.008+	-0.006
	(0.002)	(0.004)	(0.005)	(0.019)
Country Intercept	0.003***	0.004**	0.002	0.002
	(0.002)	(0.008)	(0.021)	(0.029)
Election Intercept	0.000***	0.000	0.000	0.000
	(0.000)	(0.085)	(0.004)	(0.002)
Random Residuals	0.014***	0.013***	0.013***	0.013***
	(0.002)	(0.003)	(0.005)	(0.004)
Observations	419	419	419	419
N (Countries)	25	25	25	25
N (Elections)	68	68	68	68
Year Dummies	✓	✓	✓	✓
Robust Std. Err.	✓	✓	✓	✓

Standard errors in parentheses
$^{+}$ $p < 0.10$, * $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

Table A.10: Results - Multi-level Mixed Model (Country and Election Intercept): Support for Corporate Welfare Policies (Local)

B Abstract

In addition to non-interventionist, market-friendly deregulation measures, companies can be supported with state-funded cash and in-kind benefits, so-called corporate welfare policies. The latter include infrastructure and training measures directed at companies as well as subsidies or investment grants. Little is known about how political parties position themselves regarding these policy proposals, even though they represent a substantial part of the state budget and have gained importance in dealing with the (economic) consequences of the COVID-19 outbreak and the current inflation crisis and will take a special role in the course of ecological transformations.

Against this backdrop, this Master's thesis explores how political parties' positions on corporate welfare are shaped by ideological or electoral considerations and how they are embedded in country-specific macroeconomic configurations. To answer this question, corporate welfare measures are localized on the state–market continuum and differences to deregulation measures are identified. On the other hand, the thesis examines parties' position-taking in the re-shifting of corporate welfare benefits between different types of businesses – specifically, to small- and medium-sized enterprises and to local businesses.

An automated text analysis of 419 election manifestos of 225 parties from 25 European countries gives first insights into the configuration of party positions on corporate welfare measures and demonstrates the importance of working out the peculiarities of corporate welfare in comparison to both social policy programs and deregulatory proposals: Parties with centrist views regarding state–market relations show the highest support levels for corporate welfare, as they endorse both the pro-state and the pro-business dimension of these policies. In contrast, country-specific macroeconomic factors matter only to a limited extent. This changes in the case of targeted corporate welfare: In countries with increased relevance of large enterprises, parties target SMEs less frequently. Contrary to expectations, I observe an opposite effect for local businesses: Being embedded in a macroeconomic setup in which foreign companies contribute more to national economic success does not lead to a reduced focus on local companies, but rather to parties increasingly addressing them. Taking into account that nationalist parties are more likely to emphasize corporate welfare measures for local businesses, I argue that country-specific embedding in and party positions on (economic) globalization are decisive in appealing to local enterprises.

C Kurzfassung

Neben nicht-interventionistischen marktfreundlichen Deregulierungsmaßnahmen kann Unternehmen mit staatlich finanzierten Geld- und Sachleistungen, kurz Corporate Welfare, unter die Arme gegriffen werden. Letztere umfassen Infrastruktur- und (Aus-)bildungsmaßnahmen ebenso wie Subventionen oder Investitionsförderungen. Darüber, wie sich politische Parteien zu diesen Vorschlägen positionieren, ist wenig bekannt, und dass, obwohl sie einen wesentlichen Teil des Staatshaushalts ausmachen und ihnen angesichts der wirtschaftlichen Folgen der COVID-19 Pandemie, der Inflationskrise und ökologischer Transformationen eine besondere Rolle zukommt.

In dieser Masterarbeit wird deshalb untersucht, wie die Positionen politischer Parteien zu Corporate Welfare von ideologischen bzw. elektoralen Überlegungen geprägt und wie sie in länderspezifische makroökonomische Zusammenhänge eingebettet sind. Dabei werden Corporate Welfare Maßnahmen einerseits auf dem Staat–Markt Kontinuum lokalisiert und Unterschiede zu Deregulierungsmaßnahmen nachgezeichnet. Andererseits wird beleuchtet, wie sich politische Parteien zur Verteilung von Unterstützungsleistungen zwischen Unternehmenstypen – konkret hin zu Klein- und Mittelbetrieben bzw. zu lokalen Unternehmen – positionieren.

Eine automatisierte Textanalyse von 419 Wahlprogrammen von 225 Parteien aus 25 europäischen Ländern ermöglicht einen ersten Einblick in Parteipositionen zu Corporate Welfare und verdeutlicht die Notwendigkeit, ihre Besonderheiten im Vergleich zu Sozialpolitik- oder Deregulierungsmaßnahmen herauszuarbeiten: Parteien in der Mitte des Staat–Markt Kontinuums sprechen sich am häufigsten für Corporate Welfare Maßnahmen aus, da sie sowohl ihre etatistische als auch ihre unternehmensfreundliche Komponente befürworten. Länderspezifische makroökonomische Faktoren spielen hingegen eine untergeordnete Rolle. Anders ist das bei direkt an Betriebe adressierter Corporate Welfare. In Ländern mit verstärkter Relevanz von großen Unternehmen, adressieren Parteien KMUs seltener. Entgegen den Erwartungen zeigt sich für lokale Unternehmen ein gegenteiliger Effekt: Tragen ausländische Unternehmen mehr zum nationalen wirtschaftlichen Erfolg bei, führt das nicht zu einem reduzierten Fokus auf lokale Betriebe, sondern zu vermehrter Adressierung durch Parteien. Da auch nationalistische Parteien verstärkt auf ihre Förderung setzen, gehe ich davon aus, dass die länderspezifische Einbettung in und die Parteipositionen zu (ökonomischer) Globalisierung in der Adressierung der lokalen Wirtschaft entscheidend sind.