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The Political Economy of the German Zollverein

Bachelor's thesis in History
Supervisor: Hans Otto Frøland
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Abstract:

The German Zollverein, a 19th century customs union, is often regarded as the first international customs union, a multifaceted topic with a diverse historiography. This paper analyses modern literature by Rolf H. Dumke, Hans-Werner Hahn and David T. Murphy, which analyses the motives and effects of the Zollverein. Comparing the authors' differing approaches to the subject identifying similarities and differences in their interpretations of the Zollverein. The analysis and comparison reveal the insights and limitations in these approaches; Dumke highlights the economic and financial effects, Hahn focuses on the political factors and key figures that led to Prussia's hegemony in the union, and Murphy stresses the complex geopolitical context which formed the Zollverein. By considering the limitations and insights of these different approaches, we can gain a more comprehensive understanding of this important historical institution and its relevance to contemporary economic and political debates surrounding regional integration.

Sammendrag:

Den tyske Zollverein, en tollunion fra 1800-tallet, blir ofte sett på som den første internasjonale tollunionen, et mangefasettert tema med en mangfoldig historiografi. Denne artikkelen analyserer moderne litteratur av Rolf H. Dumke, Hans-Werner Hahn og David T. Murphy, som analyserer motivene og virkningene av Zollverein. Ved å sammenligne forfatternes ulike tilnærminger til emnet identifiseres likheter og forskjeller i deres tolkninger av Zollverein. Analysen og sammenligningen avslører innsiktene og begrensningene i disse tilnærmingene; Dumke fremhever de økonomiske og finansielle virkningene, Hahn fokuserer på de politiske faktorene og nøkkelpersonene som førte til Preussens hegemoni i unionen, og Murphy understreker den komplekse geopolitiske konteksten som dannet Zollverein. Ved å vurdere begrensningene og innsiktene i disse ulike tilnærmingene kan vi få en mer omfattende forståelse av denne viktige historiske institusjonen og dens relevans for dagens økonomiske og politiske debatter om regional integrasjon.

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The German Zollverein

The German customs union of the 19th century, known as the German Zollverein, or often just the Zollverein, has been the subject of study for many historians since the late 19th century, not just of interest to economic historians, but also to historians who commonly concern themselves with topics such as geopolitics and power politics as well as those with interest in European integration and other regional integration. As such, there exists a rather extensive literature and a significant number of studies that use the Zollverein as its primary subject. Early Zollverein historians, such as Heinrich von Treitschke (1834-1896), saw the Zollverein as the first stage in the process of German political unification under Prussia's enlightened guidance. Treitschke viewed the Zollverein as a move by Prussia to diminish the influence of its rival Austria in Germany, thus increasing its own influence and asserting hegemony over the other German states.¹ Even some later academics agree that the Zollverein was an inherently political move by Prussia, such as the influential economist Jacob Viner (1892-1970), who stated, "It is generally agreed that Prussia engineered the customs union primarily for political reasons, in order to gain hegemony or at least influence over the lesser German states."² Economic historians and economists from the second half of the 20th century onward, particularly after the creation of the EU, tend to look at the Zollverein to learn about customs unions in general; many of these lessons have then applied to, or compared with, the EEC and the EU. Authors such as Günter Schmölders (1903-1991), Wolfram Fischer, William O. Henderson (1904-1993), and Rolf H. Dumke (1941-2020) all explicitly use the Zollverein as a model for European integration.³ Dumke is particularly interested in the economic motivations and effects of the Zollverein. Contrary to Treitschke and Viner, he believes that the creation and further participation in the Zollverein were largely motivated by the fiscal savings of a unified customs administration.⁴ The purpose of this paper will be an analysis of modern literature, which analyses the motives and effects of the Zollverein, before comparing them. This comparison will aim to identify the similarities and differences in the interpretations of the Zollverein to gain a more comprehensive understanding of its multifaceted nature.

¹ Ploeckl, F. (2021). *A novel Institution: The Zollverein and the origins of the customs union*. P.306

² Viner, J., & Oslington, P. (2014). *The customs union issue*. P. 124

³ Feuerstein, S. (2016). *From the Zollverein to the Economics of Regionalism*. P. 371 & 372

⁴ Dumke, R. H. (1984). *Der Deutsche Zollverein als Modell ökonomischer Integration*. P. 95

This paper will first provide some context for what the Zollverein was, a brief historical overview of how it came into being, and its economic effects and initial reception abroad. The paper will then analyse articles by three authors, Dumke, Hans-Werner Hahn (1949-), and David. T. Murphy, identifying the different purposes of the articles, their differing aims, and their approach. These analyses will then be the basis for comparisons between the authors, the purpose and aim of their articles, their approach to the subject, and how their articles view the origins of the Zollverein.

What was the German Zollverein?

As the name suggests, the Zollverein was a 19th century customs union comprising several independent and sovereign German states. The Zollverein was officially created on the 1st of January 1834 when the Zollverein treaties came into force, establishing a customs union of eighteen states within Germany, covering an area of around 421,831km² and encompassing a population of roughly 23.5 million people.⁵ This is generally regarded as the first international trade agreement which unified customs areas across political borders rather than just within.⁶ According to Jacob Viner, the Zollverein was, in fact, the first-ever international customs union, according to our modern understanding; “The German Zollverein was the pioneer, and by far the most important customs union, and generalisations about the origin, nature and consequences of unification of tariffs tends to be based mainly or wholly on the German experience.”⁷ As Viner points out, the Zollverein was the pioneer, laying the foundations for what was to become the institution of a customs union. There is, therefore, no surprise that so many historians and economists wishing to learn of the effects and origins of customs unions choose to look at the Zollverein.

Viner also states that a customs union is simply one of many possible arrangements that reduce or eliminates tariff barriers between political units while maintaining such barriers against imports from outside regions.⁸ Viner also lays out three generally agreed-upon conditions for a “perfect” customs union: firstly, the complete removal of tariffs between its members’ territories; secondly, establishing uniform tariffs on imports that originate outside of the union; and lastly, the distribution of customs revenue between its members based on an

⁵ Henderson, W. O. (1939/1968). (XXXV) *Prussia and the Founding of the German Zollverein*. P. 1092

⁶ Ploeckl, F. (2021). P. 305

⁷ Viner, J., & Oslington, P. (2014). P. 122

⁸ Ibid. P. 2

agreed formula.⁹ This was a template set by the Zollverein.¹⁰

Even though the official date for the establishment of the Zollverein is the 1st of January 1834, its creation process can be said to have begun in 1818. When Prussia abolished all internal customs barriers, creating a free market for 10,5 million Germans.¹¹ Accompanying this consolidation of the internal customs areas was what Florian Ploeckl refers to as a "... domineering behaviour exhibited in its enclave policy."¹² Where Prussia unilaterally imposed the inclusion of formally independent, sovereign enclaves within its territory in its now unified customs area. According to Ploeckl, including enclaves within the surrounding state's customs area was nothing new or even extraordinary. Prussia's unilateral imposition of this, however, as well as the inability of the affected territories to later change or reverse these terms, certainly was.¹³

Interestingly, while Prussia became the de facto leader of the Zollverein, there had been some attempts, and later a couple of successes, at establishing customs unions elsewhere in Germany, such as the Southern German customs treaty of May 1820, Signed by Baden, Bavaria, Hesse-Darmstadt, most of the various Thuringian states and Württemberg. This south-German customs union ultimately didn't amount to much of anything since the signatories were deadlocked for several years.¹⁴ However, negotiations regarding a southern German customs union were revived shortly after the accession of King Ludwig I of Bavaria. These negotiations resulted in the establishment of a customs union between Bavaria and Württemberg in 1828.¹⁵ In the same year, two other customs unions were formed in Germany. In north Germany Prussia had managed to convince the Principalities of Anhalt and the Grand Duchy of Hesse (Hesse-Darmstadt) to join the now unified Prussian customs area, thus establishing a north German customs union.¹⁶ Central Germany also saw the formation of a customs union in the same year, the Middle German Handelsverein, which according to Ploeckl, was formed due to its member states' reaction to Prussia's treaty with Hesse-Darmstadt.¹⁷ According to Martin Kitchen (1936-), however, Saxony, Hanover, Brunswick,

⁹ Viner, J., & Oslington, P. (2014). P. 4

¹⁰ Ploeckl, F. (2021). P. 306

¹¹ Kitchen, M. (2012). *A history of modern Germany, 1800 to the present*. P. 56

¹² Ploeckl, F. (2021). P. 310

¹³ Ibid. P. 310

¹⁴ Kitchen, M. (2012). P. 56

¹⁵ Henderson, W. O. (1939/1968). P. 1088 & 1089

¹⁶ Kitchen, M. (2012). P. 56

¹⁷ Ploeckl, F. (2021). P. 314

Nassau, Bremen, some of the Thuringian states and Electoral Hesse (Hesse-Kassel) were all “encouraged” by France and Austria to form the Handelsverein.¹⁸

With three customs unions in Germany, both the southern and northern ones wishing to expand and having a shared distrust of the Handelsverein, the two unions opened negotiations in December 1831, which ultimately proved unfruitful. However, negotiations were reopened in January 1833.¹⁹ These negotiations eventually resulted in the Zollverein treaties, which, on the 1st of January 1834, would create the German Zollverein.

The Economic Effects of the Zollverein and reception abroad.

By 1828, the Prussian economy and finances had greatly benefited from ten years of internal tariff reforms. However, as Murphy points out, the treaty with Hesse-Darmstadt in the same year would, unlike the reforms of 1818, extend rather than decrease the Prussian customs and tariff borders and, as such, increase the administrative costs.²⁰ Murphy then argues that the agreement was made out of political rather than economic interests, somewhat focusing on the increase in Prussian influence over Hesse-Darmstadt and the subsequent increase in their dependency on Prussia.²¹ Even if the overall economic and financial consequences would be negative for Prussia, Murphy neglects the potential benefits of the increase in producers, products and potential buyers that comes with an expansion of the internal market. Murphy does, however, point to a quote by the Prussian minister of foreign affairs at the time, Christian von Bernstorff (1769-1835), which suggests that the primary political interests in question were not necessarily the increase of Prussian influence in Hesse-Darmstadt, nor their increased dependency on Prussia, but rather that the example of Hesse-Darmstadt would cause other German states to follow suit and join the Prussian trade and tax system.²² This shows that Prussian statesmen were more than willing to make agreements that did not directly benefit Prussia in the short term as long as they believed such agreements would lead to far more beneficial ones in the future.

Dumke argues that the creation of a customs union can be seen as a redistribution, where the

¹⁸ Kitchen, M. (2012). P. 57

¹⁹ Henderson, W. O. (1939/1968). P. 1091

²⁰ Murphy, D. T. (1991). *Prussian Aims for the Zollverein*. P: 288

²¹ Ibid. P.288 & 289

²² Ibid.

static gains of the smaller region will be largely offset by the losses in the larger region.²³ Assuming that the northern Zollverein, Consisting of Prussia, Saxony, the Thuringian states and the Hessian states, as a whole, had a far more significant economic potential than the south and that the north generally had a comparative advantage, both internationally and inter-regionally, when it came to manufactured goods when measured by the structure of exports to the respective trading partners. Based on his data, Dumke also assumes that the southern states traded primarily with the north. The Southern German exports were mainly primary goods.²⁴ In this example, the south serves as the smaller region that sees a gain as their goods can now be exported to their most significant trade partners without paying tolls or tariffs. While the north serves as the larger region that lost the customs revenues from the imports from the south while not gaining much as their own exports were primarily international, that is to say, outside of the Zollverein and interregional, meaning between the northern states themselves. By this example, the economic gains of the Zollverein's internal free trade were largely seen by the southern German members and not by Prussia, who is so often presented as the driving force behind the union. However, even these gains were modest. As Dumke points out, the gains of the southern German states equated to roughly 1% of the total southern German income of 1837, or 4,9 million Prussian Thaler.²⁵

However, Dumke does point to an idea first put forth by Ludwig Kühne in 1836; that a larger customs territory can achieve more favourable net revenues, working under the assumption that customs costs, due to the guarding of borders, are proportional to the border length. At the same time, customs revenues are proportional to the customs area.²⁶ It's also worth noting that, at the time, Germany consisted of states that were mostly too small for a border customs system as a source of state revenue to be sensible; as such, the unification of the Zollverein had two cost-reducing effects. Firstly, a significant improvement in the border-area ratio, and secondly, internal borders, which had been protected from each side, were now abolished. From a Prussian perspective, the length of the customs borders actually decreased, from the Prussian customs territory alone with a 1073 miles-long border in 1819, while the entire Zollverein had a 1064 miles long border in 1836. As well as increasing the customs area by 605.9 square miles. This resulted in customs revenue becoming the fastest-growing source of

²³ Dumke, R. H. (1984). *Der Deutsche Zollverein als Modell ökonomischer Integration*. P. 83

²⁴ Ibid. P. 82 & 83

²⁵ Ibid. P. 83

²⁶ Ibid. P. 85

revenue for all German states in the first half of the 19th century.²⁷

Economic literature has established that customs unions both negatively and positively affect trade, production and prosperity. The positive effect consists of trade creation: the displacement of inefficient producers in one country of the union by more productive producers in other member states. The negative effect would be trade diversion, which results from the displacement of imports from low-cost third countries by inefficient producers in the protected common market.²⁸ Both of these concepts are naturally applicable to the Zollverein. Through Dumke's analysis of the static and dynamic gains of the Zollverein, which will be covered further when analysing his article, the Zollverein's effect on trade creation was modest.²⁹ However, according to Ploeckl, its trade-diverting effects were instrumental in its creation and expansion. Ploeckl talks about trade diversion as a coalition externality and how it affected the sequential dynamic of the Zollverein's development in his 2020 study, identifying the Zollverein as a multilateral agreement resulting from a process of sequential negotiations.³⁰ Ploeckl's approach starts with a stylised characterisation of the historical environment of the sovereign German states, in particular regarding their involvement in trade negotiations in the 19th century. Ploeckl argues that this stylised characterisation results in a particular game-theoretic bargaining structure building on coalition externalities. Ploeckl explains coalition externalities as the effects an agreement (coalition) between some states has on states that are not involved in said agreement, among which is trade diversion.³¹ Via the use of an analytic narrative approach, Ploeckl's analysis then builds on the model to illustrate said externalities as the mechanism underlying the structure of negotiation and the institutional outcome, and thereby, more generally, the nature of the formation process of trade agreements.³²

Ploeckl explains that a stylised reading of the German states' historical situation in the early 19th century presents an environment which fits the setup of a bargaining model based on an underlying cooperative game. The logic of which, including the nature and presence of coalition externalities, can explain the characteristics of the observed formation process with

²⁷ Dumke, R. H. (1984). P. 86

²⁸ Ibid. P. 73

²⁹ Ibid. P. 83 & 84

³⁰ Ploeckl, F. (2021). P. 305

³¹ Ibid. P. 306

³² Ibid.

its bargaining structure of bilateral negotiations and the novel institutional form of a customs union.³³ The model has, in essence, two sets of players, regular players and the agenda setter. This categorisation reflects distinctions between states that were members of the Deutsche Bund. Prussia and Austria were thus the agenda setters for the Deutsche Bund and trade negotiations, Austria, however, never grabbed this opportunity. The main set of players would be the midsized powers, such as Baden, Bavaria, Hannover, Hesse-Kassel, Hesse-Darmstadt, Saxony and Wuerttemberg. The fact that some of these midsized states had started to negotiate trade agreements demonstrates that they were active in trade negotiations on their own behalf. Yet, none had a dominant position like an agenda setter. This implies that they all fit the profile of regular follower players very well.³⁴ Ploeckl explains that in such a model, the agenda setter has two main characteristics; firstly, the right of the agenda setter to decide with whom and when to conduct negotiations, historically Prussia had the choice of multilateral negotiations, that is to say, negotiations with several or all of the follower states at the same time, or sequential bilateral negotiations. Secondly, the agenda setter gets to propose the terms of membership for each state. Consequently, follower states can only act in a single instance; they can decide whether to accept the terms and join the agreement or to reject and remain outside.³⁵

Ploeckl then goes on to describe the impact and importance of coalition externalities. As by the nature of international trade, an agreement between two states has an impact on others. With these externalities affecting players' payoff, they obviously drive trade and tariff policy choices. This implies that understanding the contemporary factors underlying these policies allows the identification of the main coalition externalities relevant at the time of the Zollverein. Ploeckl presents three central motives for tariff policies between 1789 and 1938: a revenue motive, a strategic tariff motive, and a Stolper-Samuelson factor compensation motive.³⁶ The first, revenue motive, is based on fiscal reasons; governments set tariffs to raise revenues, either for the state or for the sovereign's personal coffers. A new coalition formed by the agenda setter can, directly and indirectly, affect the revenues of third states. The second, strategic tariff motive, is based on the idea of strategic tariff setting. At the time of the Zollverein, this motive focused predominantly on reciprocal market access, so tariff setting

³³ Ploeckl, F. (2021). P. 307

³⁴ Ibid. P. 308 & 309

³⁵ Ibid. P. 310 & 311

³⁶ Ibid. P. 311 & 312

involved negotiations with other states about reciprocal concessions. Given geographical positions, a coalition might be able to obtain control over all relevant trade routes leading into a non-member country, thus giving the coalition a degree of control over that country's tariff system. The third, the Stolper-Samuelson factor compensation motive, is based on internal political economy, more precisely, a connection between trade and politics based on the Stolper-Samuelson theorem. Given that tariff rates affect relative prices between sectors, for example, agriculture and manufacturing, and thus the relative income of these sectors, their members have an incentive to influence tariff setting, with the resulting relative rates reflecting the relative influence and strength of individual sectors.³⁷

Ploeck then argues that within such a model, the agenda setter will naturally select the most beneficial and profitable bargaining structure. Sequential bilateral negotiations result in the formation of intermittent trade agreements. Due to the presence of coalition externalities, such intermittent coalitions will affect the reservation price for other states to join. Thus, the choice of sequential bilateral agreements led to the negative effects of remaining outside of the coalition, to steadily increase with each new agreement. This was particularly the case of the southern German states after the accession of Hesse-Kassel, which led to all trade going from the south to the North Sea ports having to pass through the Prussian coalition. As such, each successive negotiation would be increasingly in Prussia's favour.³⁸

Ploeckl then concludes that the Zollverein emerged in the institutional form of a customs union due to the agenda setters, Prussia's choice of that which maximises its payoff. Following Dumke's theory of fiscal savings due to economies of scale in customs administrations, the formation of a customs union rather than a free trade agreement would maximise Prussia's payoff. Ploeckl further explains that the administrative savings through customs unions also explains why Prussia ended up becoming the agenda setter rather than Austria, as Prussia had a shared border with what would become the Zollverein members, which was nearly three times as long as Austria. Thus, Prussia could save far more on a customs union than Austria.³⁹

Of course, the creation and existence of the Zollverein affected more than just the states who

³⁷ Ploeckl, F. (2021). P. 311 & 312

³⁸ Ibid. P. 313-315

³⁹ Ibid. P. 315-317

would eventually become its members; it changed the nature of trade between the German states and the rest of Europe. As previously mentioned, some historians believe that particularly Austria and France viewed the Zollverein in a less than favourable light. We've already covered Kitchen's claim that the Handelsverein was created, at least partially, due to French and Austrian intervention. Kitchen is naturally not alone in his assumption; there were some Prussian statesmen at the time who believed that Austria was particularly hostile to Prussia's expansion of custom treaties. Count Bogislaw von Maltzan reported to King Friedrich Wilhelm III that Austria was to be blamed for the Handelsverein and that it was an attempt to subvert Prussian plans.⁴⁰ Figures such as Friedrich Christian Adolf von Motz (1775-1839) and Kaspar Friedrich von Schuckmann (1755-1834), officials from the Ministry of Finance, claimed that the Handelsverein had been: "...especially favoured and promoted by Austria."⁴¹ Irrespective of the potential Austrian and French involvements in the Handelsverein, the nature of opposition displayed by the middle German states is still worth noting. By joining together in a union which expressly forbade any of its members to enter into any other customs union until the set end date of the treaty between Prussia and Hesse-Darmstadt, which at the time was 1834.⁴² Thus hindering the expansion of both the Northern and Southern customs unions, with the natural exception of the two unions expanding via unification with one another. While some members of Handelsverein ended up joining the Zollverein not long after its creation, many of them didn't join until they were met with empty exchequers and economic depression, thus unable to resist Prussian attempts at negotiations.⁴³

Henderson also points to the Austrian attitudes towards the Zollverein but looks more at the Austrian perspective rather than the Prussian perception. Focusing on a couple of quotes made by the then Chancellor of the Austrian empire, Klemens von Metternich (1773-1859); "... the appearance of the Prussian Zollverein is most disadvantageous and threatening to the German Confederation as such and to Austria in particular.", "In the great Confederation there is arising a smaller subsidiary union, *a status in statu* in the full sense of the term, which will only too soon accustom itself to achieve its ends by its own machinery in the first place and will only pay attention to the objects and the machinery of the Confederation in so far as they are compatible with the former."⁴⁴ In Metternich's view, the Austrian empire would be

⁴⁰ Murphy, D. T. (1991). P. 290

⁴¹ Ibid.

⁴² Ibid.

⁴³ Henderson, W. O. (1939/1968). P. 1093

⁴⁴ Ibid. P. 1094

economically injured by the expansion of industries in the Zollverein and politically injured by the new influence Prussia had on the members of the Deutsche Bund (German Confederation), who were now also members of the Zollverein, and the pressure Prussia now would be able to exercise upon these states. There was a distinct fear by Metternich that there would develop a Zollverein bloc in the Congress of the German Confederation who would consistently side with and vote for Prussia.⁴⁵

While the Austrians feared that Prussian political prestige would increase as the head of the Zollverein, Britain feared the decline of her own exports of colonial goods and manufactured articles to central Europe. There is no doubt that British interests had been injured by the commercial developments in Germany since 1815.⁴⁶ Cartwright wrote in a dispatch to the Duke of Wellington in 1834: “Before 1819, British cotton manufactured goods were only subject to a very trifling duty on their introduction into Bavaria, by the tariff of 1819 that duty was fixed at twenty florins, the Bavarian hundredweight. In 1825 it was increased to fifty florins. In 1828, when Bavaria united with Württemberg, the duty was still further increased to sixty florins, which was considered very high; and now, under the regulations of the Prussian union, it stands at nearly ninety-five florins. Therefore, that which in 1819 only paid a duty of twenty florins is now subjected to a duty of ninety-five florins, a most rapid and immense augmentation, to the detriment of British trade; and if these high duties are persisted in, it is feared that the demand for British goods must decrease every year.”⁴⁷ The fear for Britain then was that with the rapid increase in duties on their goods, there would naturally develop a decrease in demand for these goods, thus hindering British trade in Germany. The fear of the threats the Zollverein posed to British interests was not slight, as Thomas Lack writes in 1833 (in reference to the Zollverein): “... an alliance conceived in a spirit of hostility to British industry and British commerce.”⁴⁸ The British, particularly English exporters, were further alarmed by the development of Zollverein manufacturers in the thirties. The extent and perfection of German manufacturers that had been developing for some years and that they were in formidable competition with British manufacturers, both in terms of quality and price, were of considerable concern. In fact, the British manufactured goods, especially fabrics, had almost wholly been supplanted by German ones. Causing the British exports to central

⁴⁵ Henderson, W. O. (1939/1968). P. 1094

⁴⁶ Ibid. P. 1095

⁴⁷ Ibid.

⁴⁸ Ibid. P. 1096

Europe, which had for a long time largely been manufactured goods, to change to mainly that of primary goods, such as cotton twist and worsted yarn.⁴⁹

The story is much the same regarding the Netherlands, which, like Britain, exported manufactured articles and colonial goods to Germany. Similarly, the Netherlands were also concerned that the Zollverein would promote the advancement of German industry, commerce and shipping at their expense. The Dutch initially tried to hinder Prussia's new commercial policy; however, with the outbreak of the Belgian revolt in the thirties, the Dutch were fully occupied with it and thus unable to offer much opposition to the Zollverein.⁵⁰

France had political and economic reasons to dislike the Zollverein. France had naturally no desire to see a powerful Prussia rising along her eastern borders, and like both the British and Dutch, France was concerned at the prospect of a decline in the German consumption of her exported goods; in the case of France, these goods would primarily be wines and silks.⁵¹ France tried employing what political influence they had left in Germany from the days of the Confederation of the Rhine to prevent some of the German states from joining the Prussian customs system. These states were some of the ones from south and central Germany. France's own high tariffs of 1822 did, however, alienate the few possible allies in Germany.⁵²

Motives behind and effects of the Zollverein

This chapter will analyse articles by Dumke, Hahn and Murphy, looking at the purpose of the articles, their approach to the subject of the Zollverein, and identifying their view on the origin of the union. The authors will be covered separately in alphabetical order.

First, a brief summary of the historiography as it's been presented in the literature, based mainly on Florian Ploeckl's presentation. While Ploeckl might not provide the most detailed presentation, it is the most complete. According to Florian Ploeckl and David T. Murphy, the historiography regarding the creation of the Zollverein, which emerged in the second half of the 19th century, was greatly influenced by authors such as Treitschke and Johann Gustav Droysen (1808-1884). Who focused on Prussian hegemony and saw the Zollverein as a first

⁴⁹ Henderson, W. O. (1939/1968). P. 1097

⁵⁰ Ibid.

⁵¹ Ibid.

⁵² Ibid. P.1097 & 1098

stage in the Prussian unification of Germany, with Prussia extending its influence in Germany through the Zollverein at the expense of Austria's influence.⁵³ In the 20th century, there was a change in the historiography where views such as Treitschke's and Droysen's began to be challenged, with authors such as Alan J. P. Taylor (1906-1990), Arnold H. Price (1912-2006) and Kitchen arguing that Prussia's motives for the creation and continuation of the Zollverein were initially purely economic and that the political potential of the Zollverein did not become evident until later on.⁵⁴ There were still authors who had differing political interpretations, such as Murphy arguing that the Zollverein was intended to be a political redoubt against France. However, the theory most commonly accepted in the current economic history literature, according to Ploeckl, is that of Dumke, which emphasises the fiscal savings caused by economies of scale within customs administration. The financial gains that resulted from these savings are seen by Dumke and the adherents to his theory as the primary incentive for both the creation and participation in the Zollverein.⁵⁵

Economic Motives

As was previously mentioned, Dumke was the one to introduce what is the most commonly accepted theory in the current economic history literature regarding the motivations surrounding the creation of, and participation in, the Zollverein. That theory emphasises the momentous fiscal savings due to economies of scale within customs administrations and reasons that the financial gains from these savings were the primary motivation for creating and participating in the union.⁵⁶ As such, it would be reasonable to expect Dumke's writings to concern the motivations surrounding the creation and participation in the Zollverein, as well as to prefer an economical approach rather than a political one. In this analysis, we will be looking at two texts by Dumke; the first is *The political economy of German economic unification: Tariffs, Trade and Politics of the Zollverein Era*, not the 1976 PhD dissertation of the same name, but a 1978 two-page summary detailing said dissertation published in *The Journal of Economic History*. While we won't be looking at the dissertation itself, this summary should still prove insightful and give some understanding of the text which Ploeckl cites as one of the sources for the aforementioned theory.⁵⁷ The second text is *Der Deutsche*

⁵³ Ploeckl, F. (2021). P. 306 & Murphy, D. T. (1991). P. 285

⁵⁴ Ibid.

⁵⁵ Ploeckl, F. (2021). P. 306

⁵⁶ Ibid.

⁵⁷ Ibid.

Zollverein als Modell ökonomischer Integration published in 1984 in *Geschichte Und Gesellschaft*. As the name implies, this text looks at the Zollverein as a model for economic integration.

When it comes to our first text, *The political economy of German Economic Unification*, the article's purpose is clearly to give an overview of the PhD dissertation. What is of interest to this paper, however, is the purpose of the original dissertation, as far as it's conveyed through this text. The aim of the dissertation was to "... obtain a clearer understanding of the nature of customs unions in general and of the Zollverein's specific effects on economic and political development ..." as well as "... attempt to clarify the nature of German international trade in the early 19th century.". Dumke further describes the dissertation as the first cliometric study of the Zollverein, cliometrics being the application of economic theories and methods to history.⁵⁸ As we can see, while Dumke's interests seem to lie primarily in the economic aspects, there is still some emphasis on the political aspect. As Dumke goes on to describe the three main chapters of his dissertation, our previous notions regarding his interests are reinforced. The first chapter analyses the Zollverein tariff revenues' effects on the German states' public finances. Dumke also covers what would seem to be the basis of what is now the commonly accepted theory in economic history, namely economies of scale in customs administrations and the resulting lower costs being an important source of revenue increases, apart from the increased revenues of the higher tariffs of the Zollverein.⁵⁹ In the second chapter, Dumke looks at trade, specifically the Anglo-German trade. Through his analysis, using available German trade data for the early 19th century, Dumke views Anglo-German trade relations as beneficial to German economic development, pointing to the increased import of intermediate manufactured goods and primary goods such as iron and textile yarns. This view, as Dumke points out, runs contrary to the prevailing historiography at the time.⁶⁰ In the third part of his dissertation, Dumke looks at welfare gains in Germany as a result of the Zollverein. The conclusion is that these gains, both static and dynamic, are seen to be small in the first period of operation for the Zollverein.⁶¹ Dumke concludes that the motives for forming the Zollverein are that the revenues it would generate were peculiarly costless.⁶²

⁵⁸ Dumke, R. H. (1978). *The Political Economy of German Economic Unification: Tariffs, Trade and Politics of the Zollverein Era*. P. 277

⁵⁹ Ibid.

⁶⁰ Ibid. P. 277 & 278

⁶¹ Ibid. P. 278

⁶² Ibid.

Based on all of this, we can see that Dumke takes a very economical approach when looking at the Zollverein. Despite Dumke's statement that the dissertation would, among other things, provide a clearer understanding of the Zollverein's effects on political development, this seems, at least from the condensed text, to only be a small part of the first chapter. One could then reason that Dumke's interest in the political aspects mainly lies in proving previous historians, such as Treitschke, wrong in their assumptions regarding the political motivations in the formation and expansion of the Zollverein.

Now looking at *Der Deutsche Zollverein als Modell ökonomischer Integration*, the text clearly talks about the use of the Zollverein as a model for economic integration. The declared aim of the study is to verify the assumption of the extent to which the Zollverein corresponds to a theoretical, general and timeless model of customs unions.⁶³ The study is separated into five parts, the first section being the introduction. The second part presents the customs union model used in this study, which is developed from work on foreign trade theory on customs unions in "recent" economic theory, recent, of course, being relative to 1984. The third section provides a brief critical appraisal of the customs union literature. The fourth is a comparison of the realities of the Zollverein with the customs union model. And finally, section five is a discussion of the insights gained in the previous sections.⁶⁴

In his introduction, Dumke explains that the Zollverein's unique nature as "The most important historical example and model of a customs union." explains the Zollverein's repeated comparison with the EEC and that the German experience raised certain expectations regarding the political and economic consequences of the EEC.⁶⁵ Such direct comparisons are, of course, flawed, and Dumke points to some objections, such as the difference in the historical context in which these customs unions form. The differing interpretations of the Zollverein's history make generalisations difficult, and the methodological dangers of direct comparisons presenting the Zollverein as a prototype of economic integration. Therefore, Dumke recommends a method of indirect comparison, with a theoretical model of a customs union being used for historical comparisons.⁶⁶ Dumke is thus approaching the study from the point of view wishing to verify the extent to which the Zollverein corresponds to this

⁶³ Dumke, R. H. (1984). P. 72

⁶⁴ Ibid.

⁶⁵ Ibid. P. 71

⁶⁶ Ibid.

theoretical model. Given that if essential features of historical reality match up with the ideal type, it would mean that said model could explain the event history of an individual case and that a more precise comparison between the Zollverein and the EEC, two historically different manifestations of the ideal type as Dumke calls it, could be drawn. Dumke bases this theoretical model on trade theory.⁶⁷

Dumke then discusses the dramatic effects of the Zollverein that has been emphasised in the traditional historiography, which forms a general interpretation of the Zollverein, that can be characterised as the establishment of a causal relationship between the founding of the Zollverein, German industrialisation and lesser German political unification.⁶⁸

(Kleindeutschland, lesser Germany, refers to a unified Germany without Austria, as opposed to Grossdeutschland, greater Germany, which includes Austria). Dumke notes that such an interpretation would be an exceptional form of customs union integration. However, he then quickly presents what he deems to be justified and partly fundamental arguments for the doubt against the thesis of these dramatic consequences.⁶⁹ Dumke believes that such considerations were all based on the demand to examine the Zollverein more from the perspective of the prevailing political-economic context at the time of its formation rather than many retrospective views which led to the characterisation of these dramatic consequences.⁷⁰ Dumke then tackles the arguments for the Zollverein being better understood politically rather than economically. Such arguments paint the Zollverein as a piece of Prussian economic power policy, through which it was able to increase economic dominance and later exploit it politically. Dumke doesn't provide much of a direct counterargument to such opinions other than referring to historians with such views as retrospective historians and referring to a quote by Hermann Oncken (1869-1945), "One will, however, have to limit these thoughts if one seeks to interpret the meaning of German history."⁷¹

Through his analysis, referenced in the section on the economic effects of the Zollverein, Dumke arrives at the result that the static gains of free trade between member states were modest. As previously mentioned, these gains amounted to roughly 1% of combined South German income in 1837. These gains are almost entirely attributable to the elimination of

⁶⁷ Dumke, R. H. (1984). P.72

⁶⁸ Ibid. P.78

⁶⁹ Ibid. P.78-81

⁷⁰ Ibid. P. 81

⁷¹ Ibid. P. 80

tariff barriers between the North and South.⁷² Looking at the possible dynamic gains, Dumke analyses the cotton industry in South Germany, which was the most rapidly mechanising industry. Dumke concludes that the dynamic profits of the Zollverein were even more modest than the static ones, at a total of 1.33 million Thaler for the entire cotton industry.⁷³

This leads to Dumke's arguments regarding the economies of scale in customs administrations, also previously covered. The Zollverein had two cost-reducing effects. Firstly, a significant improvement in the border-area ratio, and secondly, internal borders, which had been protected from each side, were now abolished. From a Prussian perspective, the length of the customs borders decreased from 1073 miles in 1819 to 1064 miles in 1836. As well as increasing the customs area by 605.9 square miles. This led to customs revenues being the fastest-growing income for all German states in the first period of the Zollverein.⁷⁴

Dumke concludes that the Zollverein gave little economic advantages when looking at the static and dynamic gains. Dumke, therefore reasons that fiscal gains played a major and prominent role in the formation of the Zollverein.⁷⁵ Dumke further concludes that the Zollverein's history does not give any direct indications for the construction and future development of the EU.⁷⁶

Dumke's approach to this article is clearly economic, focusing on the possibility for the Zollverein to compare with the EEC through the use of a theoretical model for a customs union. He looks at the static and dynamic economic effects in-depth and concludes that fiscal effects are far more prominent.

Political Union

The text we will be looking at is *Hegemonie und Integration: Voraussetzungen und Folgen der preußischen Führungsrolle im Deutschen Zollverein*, published in 1984 in *Geschichte Und Gesellschaft*. Given this title, we can expect Hahn to take a more political view, focusing on Prussian leadership and integration in the Zollverein.

⁷² Dumke R. H. (1984). P. 83

⁷³ Ibid. P. 83 & 84

⁷⁴ Ibid. P. 85 & 86

⁷⁵ Ibid. P. 95

⁷⁶ Ibid. P. 101

In this study, Hahn aims to: "... work out more clearly the economic, social, domestic and foreign policy foundations of the Prussian leadership role in all its interconnections and to examine the respective actions of the hegemonic power more closely against the background of the changing basic structures."⁷⁷ This further reinforces the view that Hahn will take a more political approach when looking at the Zollverein; the stated aim also seems to suggest that Hahn will focus somewhat on the foundation process of the Zollverein. In any case, the purpose of Hahn's study is to provide a clearer view of the foundations of the Zollverein's initial and continued Prussian leadership.

Introducing his study, Hahn explains that despite the Zollverein's strict federalist structure, the economic unification process took place under Prussian dominance from the beginning. Despite the now more prominent role given to the middle German states in the recent literature, the Zollverein is still regarded as a classic example of a hegemonic integration process. And that Prussian hegemony is often simply regarded as a fixed factor.⁷⁸ Hahn is then approaching this study from the point of view of wishing for a deeper understanding of the continued Prussian hegemony in the Zollverein and to give a more detailed account of the connection between hegemonic structure and integration process for the Zollverein. Hahn's approach to explaining these concepts and providing a solution to the aim of the study comes in the form of two questions which form the structure of his study; Firstly, based on which factors and in what way did the Prussian leadership role in the Zollvereins founding process develop? Second, what was the significance of the hegemonic structure in the Zollvereins functions, and in what way did this hegemonic structure cause friction and tension between member states? And finally, Hahn examines the extent to which the Zollverein provided Prussian policy with the weapons which helped to defend against competing claims to power successfully and made it considerably easier to implement the unification policy of Bismarck.⁷⁹

Hahn explains that the first things worth mentioning when talking about the preconditions for Prussia's leading role are the territorial and economic-geographical constellations that had risen due to the 1814/15 reorganisation of central Europe. The Prussian state had grown far

⁷⁷ Hahn, H.-W. (1984). *Hegemonie und Integration. Voraussetzungen und Folgen der preußischen Führungsrolle im Deutschen Zollverein*. P. 46

⁷⁸ Ibid. P. 45 & 46

⁷⁹ Ibid. P. 46

into Germany, having acquired economically developed territories such as Saxony and the Rhineland while also controlling important traffic arteries and having closer trading relations with the rest of Germany than Austria.⁸⁰ Even given all these factors, Prussian hegemony wasn't immediately apparent after 1815; however, the failure of the Deutsche Bund in terms of customs policy, regarding article 19 of its constitution, which sought to ensure closer economic cooperation between members, the successful Prussian customs act of 1818 and failed attempts at Customs Unions elsewhere in Germany, all paved the way for Prussia leading role, at least in an economic sense.⁸¹ While Hahn recognises that the 1818 Prussian customs law would form the most important crystallised core of the Zollverein, he cautions against interpreting the reform as a deliberate step towards the unification of German trade policy.⁸² Hahn reasons that Prussia's leading role became increasingly apparent because Prussia was able to fulfil functions in the process of German unification, which other states could not. As an example, Hahn points to the fact that there was no state that could offer comparable enticing economic and financial offers as that of Prussia, also pointing to the fact that Prussia was already a commercial power in the 1820s and thus was far better suited to negotiate with other European states.⁸³ Finally, Hahn argues that the policies of the future member states contributed to Prussia's steadily increasing weight in the Zollverein. As besides Bavaria-Württemberg, the rest of the German states negotiated on their own about Zollverein membership. Because of this, these states missed out on important opportunities to build up more effective counterweights to the Prussian hegemony.⁸⁴

With the creation of the Zollverein in 1834, Hahn explains that the preconditions of Prussian hegemonic policy had changed considerably; due to figures such as Motz and Johann Karl Georg Maasen (1769-1834) now being dead, the Prussian bureaucracy was dominated by highly conservative forces. Figures such as Motz and Johan Albrecht Friedrich Eichhorn (1779-1856), who were important in the initial foundations of the Zollverein, had always been prepared to accept financial losses for the Prussian states should those losses lead to political advantages. The high conservatives viewed the Zollverein as a matter of financial and trade policy, as opposed to power politics like Motz and Eichhorn.⁸⁵ While these high conservatives

⁸⁰ Hahn, H.-W. (1984). P. 46

⁸¹ Ibid. P. 46 & 47

⁸² Ibid. P. 47

⁸³ Ibid. P. 48

⁸⁴ Ibid. P: 52

⁸⁵ Ibid. P. 53 & 54

tried to enact plans which would lead to better financial gains for Prussia, the bulk of these ended up being dropped due to resistance from other members of the Zollverein and partially because the Prussian king Friedrich Wilhelm IV paid greater attention to the Zollvereins political advantages. From the beginning of the 1840s, the supporters of offensive, power-political-oriented Zollverein policy started gaining weight again in the Prussian bureaucracy.⁸⁶ Hahn then further argues that even the momentary shift in Prussian Zollverein policy didn't diminish Prussia's leading role. In some respects, it actually strengthened it since customs policy was limited to its actual, contractually fixed purpose.⁸⁷ Hahn argues that, all in all, the economic and financial effects of the Zollverein were too advantageous to its members for them to turn back. Many of these advantages could not be obtained without Prussia. The fact that Prussia functioned as a conflict regulator for the members further strengthened its hegemony. The Zollverein's economic interconnections and the steady integration and hegemonic policy of the Prussian-led, and Berlin-based Zollverein bureaucracy, led most German governments to bind themselves to Prussia in a sub-area of politics.⁸⁸

Hahn concludes his study with the fact that economic ties do not create political unity. Noting that the institutional hegemony in the Zollverein, which Prussia had been striving for, only came about due to Prussian military success in the Austro-Prussian War of 1866. The hegemony in the economic sector was nonetheless an important factor of Prussian unification policy.⁸⁹

As we can see from Hahn's focus and argumentation, he takes a very political approach to the Zollverein. While he doesn't view the initial Prussian customs laws of 1818 as intended to form the basis of a larger customs union, he does recognise it as what would become the basis for the Zollverein. While the Prussian statesmen, who were integral to the creation of the Zollverein, did seek Prussian economic and political hegemony within the union. Hahn doesn't seem to think that their ultimate goal was German political unification under Prussia. While later Prussian statesmen perhaps sought to use the Zollverein and Prussia's hegemonic position for this goal, Hahn believes that the economic hegemony of Prussia, while important, was not ultimately the key to a politically unified Germany. Hahn further notes that the role of

⁸⁶ Hahn, H.-W. (1984). P. 54 & 55

⁸⁷ Ibid. P. 55

⁸⁸ Ibid. P. 56-61

⁸⁹ Ibid. P. 67

individual Prussian statesmen was not a decisive factor for Prussia's role as a leader but rather Prussia's economic and social structures.⁹⁰

Geopolitics

As discussed, when covering the historiography as it was presented in the literature, Murphy is a notable exception to the prevailing Zollverein historiography of the 20th century, being described as having an unusual political interpretation of the Zollverein. Believing it to be, as Ploeckl puts it: "... intended as a political bulwark against France."⁹¹ The article we will be looking at is *Prussian aims for the Zollverein, 1828-1833*, published in 1991 in *The Historian*; unlike the other texts covered, this article cannot be accurately called a study but rather a piece of academic argumentation. Based on Murphy's previously established views on the Zollverein, we can expect this text to take a highly political view of the motivations and intent of the founding of the Zollverein.

While Murphy never states any direct purpose or aims for his article, his objective becomes quite clear upon reading the first two pages. The article starts by highlighting how historians have widely disagreed upon the intentions of the Prussian statesmen who created the Zollverein. He first lays out the views of late 19th-century German nationalist historians, such as Treitschke and Droysen, as well as later historians who agree with them on the point that the Zollverein was intended as a political tool, which Prussian statesmen consciously used to eliminate Austrian influence in Germany. Before, he then covers the views of later historians such as Taylor, Price and Kitchen. Who instead believed the Prussian intentions and motivation as being initially economic and that the political potential of the Zollverein did not become apparent to Prussian bureaucrats until between the 1830s and 50s. After this, Murphy argues that both sides have misconstrued the Prussian aims since neither side adequately considers the role played by France and the smaller German states in the Prussian statesmen's planning. Murphy believes that the Prussian aims for the Zollverein were inherently political like the nationalists believed, but that, as the revisionist believed, these aims were not necessarily anti-Austrian.⁹² By this point of the article, it is abundantly clear to the reader that Murphy intends to present and argue for a third interpretation of the intent of the Prussian statesmen who created the Zollverein, which focuses on the role of France. As such, this

⁹⁰ Hahn, H.-W. (1984). P. 67

⁹¹ Ploeckl, F. (2021). P. 306

⁹² Murphy, D. T. (1991). P. 286 & 287

article's purpose is clearly to serve as an academic argumentation for this “third” interpretation.

Murphy’s approach to justify and argue for this interpretation is first to cover the beliefs of an anti-Austrian sentiment in Prussia. Detailing the evidence for such an interpretation, several remarks that certain Prussian statesmen made. Statesmen such as Maltzan, Motz and Schuckmann all believed that Austria was behind the creation of the Handelsverein, which partially blocked further expansion of the Prussian customs system.⁹³ Murphy then points to the numerous occasions where Prussian officials intended and attempted to appease Austria, citing diplomatic documents and the behaviour of Prussian envois throughout Europe. These envois insisted that Prussia was only trying to fulfil the provisions of Article 19 of the Deutsche Bunds constitution. While recognised by Murphy as an attempt to establish technical legality for Prussian customs activity, though his argumentation is not clear, it seems Murphy views this rhetoric by the Prussian foreign ministry as an attempt to appease Austria.⁹⁴ Murphy clearly recognises the basis for the anti-Austrian interpretation but takes a broader view of the evidence and concludes the anti-Austrian sentiment by Prussian statesmen to be a minority sentiment within the Prussian administration.

Murphy then details the Prussian perception and treatment of the Handelsverein. Murphy focuses on proposals and statements made by Motz and Schuckmann, such as their proposal for Prussia to pursue a policy which would essentially be economic warfare against the Handelsverein, further suggesting that Prussia build infrastructure that would divert trade away from the Handelsverein states.⁹⁵ Through the process of diverting trade and by managing to get two nominal Handelsverein members to participate in agreements which would subvert the Handelsverein’s purpose, Murphy argues that Prussia managed to create the beginning of the end for the Handelsverein. Murphy further argues that Prussia’s insistence on bilateral and refusal of multilateral negotiations with the Handelsverein members put Prussia in a position of considerable economic and diplomatic superiority over any of the single states with which it dealt.⁹⁶ Murphy also argues that the Prussian treatment of smaller German states after the agreement with Hesse-Kassel revealed the Prussian goals. Which, in short, was to

⁹³ Murphy, D. T. (1991). P. 290

⁹⁴ Ibid. P. 291 & 292

⁹⁵ Ibid. P. 293

⁹⁶ Ibid. P: 294

economically strangle the smaller German states by having Hesse-Kassel raise its toll to the Prussian level, which on most goods was an increase of 800%. This was devastating for the middle German states as once Hesse-Kassel joined the Prussian customs system, they were blocked from direct trade with the north and would have to pay the Prussian tolls to continue to trade north.⁹⁷

Murphy then goes on to the arguments which make him stand out in the historiography, the Prussian diplomatic concerns regarding France. Murphy's argument is that the memory of former French power and the perception of reawakened French revolutionary ambitions nourished a Prussian fear. And that this apprehension of a French danger convinced many Prussian statesmen of the importance of expanding the Prussian customs system. Murphy further argues that just as interwar politicians in the 20th century were concerned with "the German problem". The Prussian politicians, who had seen service all over Europe during Napoleon's reign before coming to Prussia, and were all familiar with French methods, were obsessed with "the French problem".⁹⁸ According to Murphy, the evidence for the Prussian fear of France can be seen implicitly in the direction of state policy and explicitly in diplomatic communications. Pointing to a memorandum by Motz from 1829, a quarter of which was relegated to the topic of military security and demonstrated the defensive utility of closer political ties that could be achieved through economic agreements in the event of an attack from the West.⁹⁹ Murphy further argues that the French danger played an even more important role in Prussian customs policy after 1830. Murphy claims that after 1830 the Prussian highway construction program, which had previously been intended as a tool for the economic reduction of the Handelsverein, changed its concentration to the completion routes for military use.¹⁰⁰

It is pretty clear Murphy views the intentions behind the Zollverein as the use of economic tactics and policy to achieve closer political ties between the German states, thus strengthening the military defence of Germany in general, but Prussia in particular, against France. Murphy also clearly places a great emphasis on the role of individual Prussian statesmen.

⁹⁷ Murphy, D. T. (1991). P. 294 & 295

⁹⁸ Ibid. P. 295 & 296

⁹⁹ Ibid. P. 296

¹⁰⁰ Ibid. P. 297

The Many Differing Approaches to a Subject

Table 1: Summarization of the articles’; purpose and aim, approach to the Zollverein and their presented view of its origins.

	R. H. Dumke	H.-W. Hahn	D. T. Murphy
Purpose and aim	(1) Understanding the nature of customs unions and the Zollverein’s effects on economic and political development. (2) Explore the potential for the Zollverein as a model for economic integration.	To understand the foundations for Prussian hegemony in the Zollverein.	To present a “third interpretation” of the motivations of the Zollverein’s creation.
Approach to the subject	Economical	Political	Political
The presented view of the Origins Zollverein	The main motivations for the founding and participation were economic/fiscal.	Early motivations for the founding were political but sought to establish Prussian economic and partial political hegemony within the union.	The Zollverein was intended as a way to protect Prussia from the “French danger”.

When we look at the Purposes and aims of these articles, it is quite evident that there are several ways to interpret, study and analyse the Zollverein. As such, there also seems to be much to understand and to be learned both about and from the Zollverein.

Dumke aims to learn from the Zollverein and seeks to gain knowledge and insights which would be more widely applicable. In the case of Dumke’s article on economic integration, he clearly states that the ultimate goal of the study, beyond just learning the extent to which the Zollverein can be used as a model for economic integration, is to understand what lesson could be learned from the Zollverein and be applied to the EEC and EU. Although he

concludes that ultimately the Zollverein's geographic and historical peculiarities make it near impossible to draw lessons from its formation history or to transfer said lessons.¹⁰¹

While both Dumke and Hahn seek to further understand aspects of the Zollverein, Hahn never explicitly states or even indicates a goal of gaining any transferable knowledge. While the purpose of Murphy's article is to present and argue for a differing interpretation. Murphy, of course, sticks out in general; in the case of our analysis, he is the only one not to be conducting a study. While in the case of the Zollverein's historiography, he sticks out as one of the presumably few who view the Zollverein as a Prussian political tool against France.

There are some comparisons to be drawn between Hahn and Murphy when it comes to the use of statements and writings by prominent Prussian statesmen. Both recognise that these people played large and central roles in the formation of the Zollverein. This is, however, where the similarities end, as Hahn's use of these statesmen is seemingly limited to a way of emphasising his already well-structured arguments and highlighting their prominent role and influence in the administrative structure of the Zollverein. While his use and focus on these statesmen could be seen as rather prominent, Hahn still points out that the role of these statesmen was not a decisive factor in Prussia's role as a leader. Murphy seems to overly rely on statements and writings made by these statesmen, to the point where one could rightly argue that his arguments were almost entirely based upon them. One should, however, keep in mind that the core of Murphy's argument is that the intentions and motivations of the Zollverein can only really be judged by the intents and motivations of the individuals who were so instrumental in its creation. This is a reasonably valid argument in its own right; it would be hard to accurately judge the motivations and intents behind the Zollverein if one were to completely disregard the intent of the people critical to its foundation.

This brings us nicely to the topic of how these authors approach the subject of the Zollverein, starting with Hahn and Murphy, who both take a rather political approach to understanding the Zollverein. This perhaps explains their use of and focus on Prussian statesmen. When one takes a political approach to a historical topic, it seems rather natural and obvious to look at the prominent and central politicians who are tied to said topic. While both authors lean towards a power-political approach, as previously discussed, this approach manifests two very

¹⁰¹ Dumke R. H. (1984). P. 101

different views. Both of these approaches differ widely from Dumke's, however. Neither of his articles even mentions any of these prominent Prussian statesmen. Based on this, the notion that a political approach leads to a greater focus on politicians seems to be at least nominally substantiated. While Hahn and Murphy, whose approach is firmly political, both view the politicians as the principal actors in the history of the Zollverein. Dumke views the states themselves as the principal actors, which interestingly is consistent with the "realist" approach to political science. However, this may be due to the differing aims, as Dumke seeks to draw lessons from the Zollverein, while Hahn and Murphy seek to further explain different aspects of the institution. As previously discussed, Dumke's approach to the Zollverein is economical. As such, he deems the economic and fiscal effects of the Zollverein, and more broadly, customs unions in general, as the primary driving force and motivator behind its creation. Dumke focuses firmly on the economic effects of the Zollverein, paying little mind to the politics surrounding its design. Through thorough empirical analysis of the static and dynamic gains of the Zollverein, Dumke finds that these gains would be modest at best, leading him to consider the fiscal gains of economies of scale in customs administrations as the primary motivator for both the founding and accession into the Zollverein.

Lastly is the topic of how our authors and their articles view the origins of the Zollverein. We'll start off with Dumke, who clearly sees the primary motivations and driving factors behind its founding as based purely on economic, fiscal and financial factors, as illustrated by his belief that fiscal savings due to economies of scale in customs administration and the revenue created by these savings serve as the core for both the creation and participation in the Zollverein.

Hahn does not go into much detail about the motivations or intent regarding the initial creation of the Zollverein beyond the fact that a powerful core country has a more integration-promoting effect than a relative balance of power among the participating states and the fact that Prussia, while seemingly not destined to become the hegemon in Germany, certainly seemed to fulfil all the requirements. However, Hahn argues that when Prussia started taking on the role of leader for the emerging Zollverein, Prussian statesmen were quite intent on keeping and extending its hegemony within the union. Murphy gives more details about the motivations and intent for the Zollverein's creation. He believes that the Zollverein was intended from its conception as a political tool to be used against France. Based on the alleged

growing fear of France amongst prominent Prussian Statesmen. Even disregarding the “French problem”, it is clear that Murphy views the Zollverein as the use of economic tactics and policy to achieve closer political ties between the German states.

Dumke seeks to draw lessons that could be applied to modern economic integration efforts, highlighting the significant fiscal saving gained from removing tariff barriers, while Both Hahn and Murphy are political in their approach. Hahn highlights the importance of key figures in the Prussian administration while not being a deciding factor in Prussian leadership. Hahn also points out that these individuals laid many of the foundations that would make Prussia’s eventual successful attempt at a lesser German political unification considerably easier. Murphy, for his part, gives us a look at the complex geopolitical context in which the Zollverein was shaped.

Moreover, these different perspectives reveal the limitation of each approach. While Dumke’s analyses provide some valuable insights into the economic effects of this first customs union, it disregards the political factors which were central to its formation. Similarly, Hahn’s political analysis gives a fascinating look at the political factors that lead to Prussia’s hegemony in the union and highlights the motivations of key individuals. Still, it gives no insights into the economic effects that the union had on its members. While Murphy gives an interesting perspective taking into account the complex geopolitical context of the time but overlooks the internal dynamics of the Zollverein members.

In conclusion, the Zollverein represents an important historical institution that significantly shaped German and European economic and political development and history. Dumke, Hahn and Murphy offer different approaches to understanding the Zollverein, which highlight its complex and multifaceted nature and impact. As such, we can gain a more comprehensive understanding of this important historical institution and its relevance to contemporary economic and political debates surrounding regional integration by considering the insights and limitations of such approaches.

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