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Kleinstaat und Interdependenz. Anmerkungen zur Kleinstaatentheorie aus oekonomischer Sicht

Summary

While the question of the size of nations and its significance has always occupied the attention of historians, political scientists and sociologists, it has for a long time been rather neglected by economic theory. Trade between nations was treated as trade between firms of different countries. The size of the nation was irrelevant. Only with the integration developments after World War II the question of size was more seriously treated.

"Pure" theoretical considerations point in the direction that small nations tend to be at a disadvantage. The small size of the population offers fewer opportunities for large-scale production and specialisation, and the smallness of the domestic market reduces the sales opportunities at home which are usually less risky than exports to foreign countries. The smaller number of firms in each sector also increases the danger of monopolistic inefficiencies. All these weaknesses can be largely overcome through trade relations in an open world though some difficulties remain.

In contrast to the theoretical picture of small state disadvantages empirical studies do not reveal any relationship between size of a nation and economic welfare. Other factors, like state of development, research, education, capital accumulation etc. seem to play a much more decisive role making size a matter of secondary importance only. The only obvious and significant difference between small and big economies is the far greater export-import intensity of the former as compared with the latter.