



## ECONOMICS

# Stop Comparing the U.S. to the Fall of Rome

10 JAN 26, 2016 5:07 PM EST

By [Justin Fox](#)

People who are worried about the future of the U.S. often find parallels with the decline and fall of the Roman Empire. And oh the parallels there are! Here are a few I dredged up in a brief Internet search: [easy monetary policy](#), [excessive bureaucracy](#), [entitlement spending](#), [income inequality](#), [extreme pleasure-seeking](#), [high military spending](#), [oppressive taxation](#), [shady campaign financing](#) and [privatized public services](#).

There's surely *something* to all these concerns, and it is handy that there's at least one to match pretty much any political persuasion.<sup>1</sup>

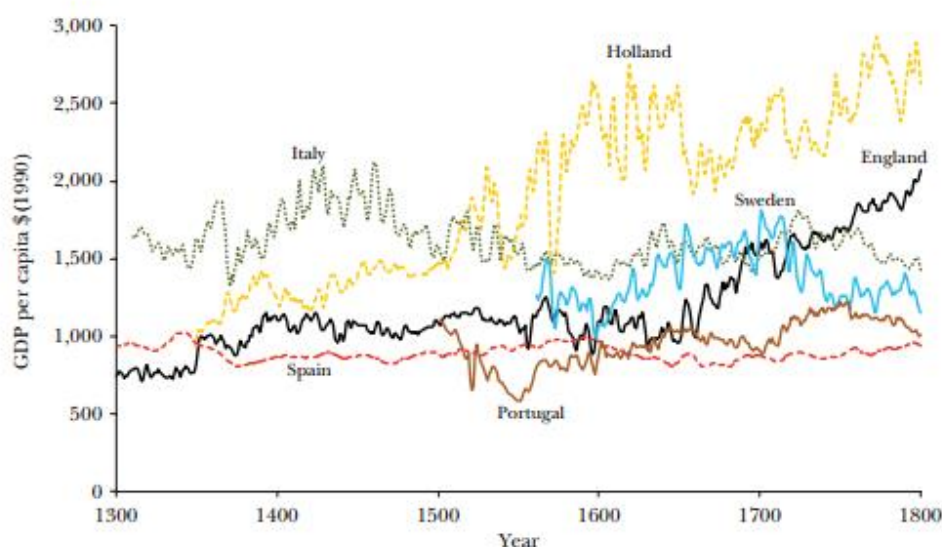
Still, I have trouble taking America-is-the-new-Rome arguments all that seriously, mainly because of the implication that we're headed for a Rome-style collapse. That's why, when I look for parallels with the modern U.S., I tend to go for post-1300 European powers instead.<sup>2</sup>

That's because, when Rome declined and fell, there was no rival able to take up the slack. The barbarians knew how to sack the place, but not how to run it. Since the late Middle Ages, things have been different. Knowledge has spread via print and other means; trade has **continued to grow**, with occasional interruptions. The European economy, and then the world economy, have been characterized by shifting fortunes, not outright collapses.

Here, for example, from [an article](#) by Roger Fouquet and Stephen Broadberry in the Fall 2015 issue of the *Journal of Economic Perspectives*, is how European countries for which there is adequate data fared from 1300 to 1800:

#### **GDP per Capita in Selected European Economies, 1300–1800**

*(three-year average; Spain eleven-year average)*



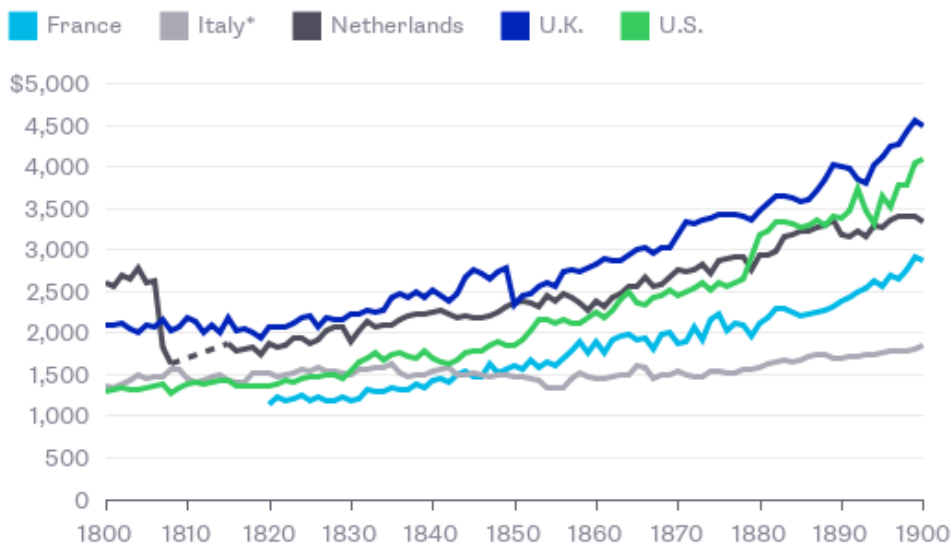
*Sources:* England/Great Britain (Broadberry et al. 2011); Italy (Malanima 2011); Holland (van Zanden and van Leeuwen 2012); Sweden (Schön and Krantz 2012); Spain (Álvarez-Nogal and Prados de la Escosura 2013); Portugal (Reis, Martins, and Costa 2013; Palma and Reis 2014).

Northern Italy's city-states pioneered capitalism, then ceded leadership to the Dutch in the 1500s. Sweden rose to wealth during the expansion of the [Swedish empire](#) in the 1600s, then began declining with the onset of the [Great Northern War](#). England started a long rise after its civil war in the mid-1600s.

After 1800, according to global databases maintained by the [Maddison Project](#), economic growth accelerated, with the U.K. leading the way.

### Racing to Prosperity in the 1800s

Per-capita gross domestic product, 1990 international dollars



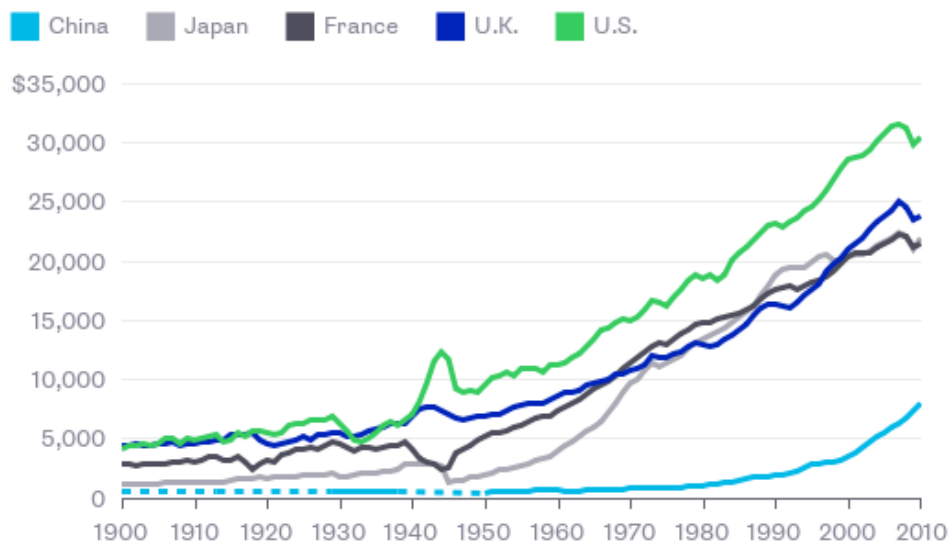
Source: The Maddison Project  
\* Central and Northern Italy only

BloombergView

In the early 1900s, the U.S. began challenging the U.K. for the lead, and has stayed on top since the onset of World War II. But interesting things have been going on just below the top, with France and Japan passing the U.K. for a time before relinquishing their lead<sup>3</sup> in the 1990s, and China beginning its great rise after 1980.

### Racing to Prosperity since 1900

Per-capita gross domestic product, 1990 international dollars



Source: The Maddison Project

BloombergView

My choice of nations here is a bit haphazard, and past performance is no guarantee of future results. Also, per-capita gross domestic product isn't the only valid measure of national success. Still, you get the picture: Since the [Commercial Revolution](#) began in the late 1200s, nations that have joined the race have lost ground to others, and sometimes fallen back sharply due to war (as did France and Japan in World War II). Some, [most notably Argentina](#), have gone from leaders to perennial laggards. But none have fallen into centuries-long dark ages.

This isn't to say that modern human civilization couldn't collapse in the face of a pandemic, environmental crisis, [super solar storm](#), alien invasion, zombie invasion, robot uprising or [really convincing virtual reality technology](#). But such a fall wouldn't be confined to one nation. It would presumably take down the lot of us.

So what is an appropriate historical parallel for the U.S.? Well, I've just finished reading W. H. Lewis's classic "The Splendid Century: Life in the France of Louis XIV," so I'm going to give 17th-century France a try.

In those days, France was Europe's superpower -- not as rich per-capita as the trading cities of Holland, but wealthier than any other major nation, with military ambitions to match. After a [series of civil wars](#) at mid-century during which the aristocracy challenged the king, France experienced a long period of political stability and prosperity. Louis XIV became king as a four-year-old in 1643, and really ran the country from 1661 until his death in 1715.

What was France like during the Sun King's reign? Lewis -- the older brother of C.S. Lewis -- is far from exhaustive in his account. In the introduction he apologizes, for example, for failing to include much of anything "on Colbert, Louis' greatest civil servant, who worked with such unavailing energy to give France the planned economy of a modern totalitarian state." Hmmm, would have liked to read that.

Still, the book offers a lot to chew on. France in the 17th century saw its share of innovation and reform. The military became stronger and more efficient, although Louis, as he [may have admitted to his heir](#) on his deathbed, made far too much use of it. The arts flourished; medicine improved, if fitfully. The towns, which had some measure of independence, grew and mostly thrived.

But then there was “the enormous chateau of Versailles, with its ten thousand inhabitants, in which was spent six out of every ten francs collected in taxes.” And the system for collecting those taxes, which “was in itself radically and incurably vicious; as a contemporary remarks, if the Devil himself had been given a free hand to plan the ruin of France, he could not have invented any scheme more likely to achieve that object.” Proximity to the king brought privileges and tax exemptions; distance brought a heavier burden. As best I can tell from Lewis's account, a poor farmer was likely to pay more in taxes than a government bureaucrat. Partly as a result, farmers left the land to seek better lives in the towns. Agriculture, the core of the French economy, began to fall behind.

If you believe that government in the U.S. has become excessively imperial, this is intriguing. Yes, most tax dollars are spent *outside* Washington. And while our tax system may be too complicated, poor rural residents seldom pay higher taxes than D.C. officials. But connections to power mattered a lot in 17th-century France, and they seem to be mattering more in the U.S. than they used to.

What happened next (which isn't in Lewis's book) may be even more instructive. After Louis XIV died, France struggled under unpopular kings as freer, less-centralized England gained economic ground. As finance minister in the 1770s, the [great economist](#) Anne-Robert-Jacques Turgot tried to fix the tax system and revitalize rural France, but Louis XVI threw him out after two years and reversed his reforms. Then came revolution and decades of turmoil and economic stagnation. It was only around the middle of the next century that France joined the great growth boom of the Industrial Revolution. The France that Louis XIV left behind was particularly ill-suited to adapt to changing circumstances. I'll leave it to you to decide whether the 21st-century U.S. is too.

1. *It's also fun to have excuses to learn about ancient Rome, since people keep writing such great books about it. I'm itching to read "Dictator," the final installment in novelist Robert Harris's great Cicero trilogy; Mary Beard's "SPQR" and Tom Holland's "Dynasty" look **really appealing** too. ↵*
2. *I've been making this we-aren't-Rome argument for a while, and I once got Fortune magazine to pay for me to spend a few days drinking beer and eating **waterzooi** in Antwerp, Belgium, to **make the point** that life in a former global financial capital isn't bad. But Antwerp, while it accounted for an **estimated 40 percent of world trade** in the early 1500s, was a city, not a superpower, so maybe it's not the best comparison. ↵*
3. *Per-capita GDP has been about the same in Japan as in France since the late 1990s, which is why you can't really see the line for Japan from then on in the chart. ↵*

*This column does not necessarily reflect the opinion of the editorial board or Bloomberg LP and its owners.*

To contact the author of this story:

Justin Fox at [justinfox@bloomberg.net](mailto:justinfox@bloomberg.net)

To contact the editor responsible for this story:

Zara Kessler at [zkessler@bloomberg.net](mailto:zkessler@bloomberg.net)

את הכתבה ניתן למצוא ב:

<http://www.bloombergview.com/articles/2016-01-26/stop-comparing-the-u-s-to-the-fall-of-rome>

**Bloomberg**View