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JOSEPH SCHUMPETER'S PREDICTION: WILL CAPITALISM BE REPLACED BY SOCIALISM

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Abstract: *What will happen to capitalism? Will it fall apart? Will it be replaced by socialism? Such questions also concerned the great Austrian economist Joseph Schumpeter. In 1942 the Austrian economist dedicated an entire book to this subject: "Capitalism, socialism and democracy". His thesis is that the very success of capitalism undermines the social institutions that protect it and that inevitably create the conditions in which it will no longer be able to survive, pointing decisively in the direction of socialism as the heir apparent. In 1949, in New York, Schumpeter resumed the thesis with even greater force in the conference entitled "The March into Socialism", held before the American Economist Association.*

• Introduction

The idea of replacing capitalism with socialism is not new. It has a history of over 170 years, if we consider the date of the Communist Manifesto, the year 1848. Karl Marx preached the inevitable end of capitalism, due to the internal contradictions between the capitalist exploiters and the exploited workers. "The essence of Marxism was the belief that the industrial economy was doomed to produce an intolerably unequal society divided between the bourgeoisie, the owners of capital, and a property-less proletariat. Capitalism inexorably demanded the concentration of capital in ever fewer hands and the reduction of everyone else to wage slavery.,,

• Material and method

The topic of the survival of capitalism is a complex one that requires an interdisciplinary approach: historical, philosophical and economic. Of course, we do not pretend to give a categorical answer to this question. The debate continues. The future remains open!

• Results and discussions

In 1942, Schumpeter published his fundamental book: *Capitalism, Socialism and Democracy*, where he tried to answer the question: "Can Capitalism Survive?" No. I don't think it can." He then answered a second question: "Can socialism work?" Of course it can".

Why, then, has socialism come back into vogue in our time—and in America, of all places? To answer this question, it is helpful to turn back to Schumpeter. It will be remembered that he argued, first, that capitalism's propensity for "creative destruction" was also a source of weakness; second, that capitalism tends towards oligopoly, not perfect competition; third, that capitalism "creates, educates and subsidizes a vested interest in social unrest," namely intellectuals; and, finally, that socialism is politically attractive to bureaucrats and (many) democratic politicians.

Conclusions

Today we seem to be witnessing an anti-capitalist cultural revolution. Perhaps the best example is the followers of woke culture and cancel culture in the United States. The academic intelligentsia, most of the media, much of the political class, some of the corporations see capitalism as absolute evil, and American culture sees it as racist. Interesting how much of the university professors and some of the corporations undermine their own positions. The vast majority of American universities are private and can afford to pay teachers very well, thus attracting the best specialists in the world.