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ARE CAPITALISM AND DEMOCRACY STILL COMPATIBLE?

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Abstract: Whether capitalism and democracy are still compatible depends a lot on how each is defined, how they are practiced, and where you are looking. In the West, especially the US and Western Europe, capitalism and democracy grew together. This period saw the rise of the welfare state—free markets coexisted with public education, healthcare, housing, and infrastructure. In the U.S., the "American Dream" was built on the idea that capitalism gave everyone a shot, and democracy protected their rights. Here are some pros and cons regarding the compatibility between capitalism and democracy!

• Introduction

- Capitalism and liberal democracy are two of the pillars of modern civilization, which were born at about the same time in the Netherlands and Great Britain, in the 16th-17th centuries. The founders of liberalism were two British philosophers: Thomas Hobbes and John Locke. The key word for each was freedom: political freedom and economic freedom. They elaborated the principle of separation of powers in the state: the executive power represented by the king and the government, the legislative power represented by the parliament, which drafts the laws, and the judicial power that guarantees the rights of citizens. The Glorious English Revolution consecrated liberal democracy in 1688.

• Material and method

- The topic of this paper is complex and requires an interdisciplinary approach: political philosophy and economic history.

• Results and discussions

- But let's return to the fundamental question of this paper: are capitalism and democracy still compatible? They are compatible, but there is a tension between them, especially in our days. Capitalism and liberal democracy are disputed, although they ensure economic prosperity and political power in the world for the United States of America and the European Union.
- Even communist China accepts the capitalist economy in six of its regions, where 500 million people work: Shenzhen, Shanghai, Guangzhou, Zhejiang, Hainan and Hong Kong. These regions are not capitalist in the Western political sense, but they function with many capitalist economic characteristics — such as private ownership, profit motives, foreign trade, and market-driven industries.
 - The situation is different in the United States of America, the country with the strongest and toughest capitalist economy. Although there is a large middle class, capitalism is disputed by the Woke and Black Lives Matter movements. These movements see capitalism as the absolute evil and want it abolished. But these movements are rather Marxist.
 - American conservatives criticize liberal democracy for several reasons, often depending on which branch of conservatism is speaking (e.g., traditionalist, populist, libertarian, or nationalist). Their critiques aren't always aimed at democracy itself, but rather at what they see as the excesses or failings of modern liberal democratic system.

• Conclusions

- The political framework in which capitalism has developed best is the liberal democracy in Western Europe and the United States of America. The most important high-tech companies are American. But can capitalism become a threat to liberal democracy?
- High-tech companies can become a threat to liberal democracy under certain conditions. A small number of tech giants—like Google, Meta, Amazon, and Apple—hold significant control over the flow of information, online commerce, and digital infrastructure.
- However, high-tech companies are not inherently threats. It depends on how they are regulated, how transparent they are, and how their technologies are used. Strong democratic institutions, oversight, and civil society can reduce many of these risks.