SCHUMPETER, Joseph (February 8, 1883, Triesch, Austria-Hungary – January 8, 1950, Taconic, Connecticut)

Joseph Schumpeter was one of the twentieth century’s most innovative and influential economists. He began his studies at the University of Vienna, where he received a PhD in 1906. From there he enjoyed a peripatetic career in academia, finance, and government. He taught at the Universities of Graz, Bonn, and Harvard, and also served as the Austrian Minister of Finance and president of a private bank from 1920-1924. Throughout his many works, he theorized and defended a dynamic form of capitalism, summed up by the famous phrase, “creative destruction.” His approach is outlined in the early work, *The Theory of Economic Development* (1911), in which he sets up the heroic figure of the “entrepreneur” as the engine of innovative development. In English, his most influential work was probably *Capitalism, Socialism and Democracy* (1942). Here, he argued that Marx was right that capitalism would collapse, but for the wrong reasons. He foresaw no joyous revolution, but a slow process through which the entrepreneur and his creative destruction would be hemmed in by an increasingly stifling social-democratic state.

Bibliography: Michael I. Stevenson, *Joseph Alois Schumpeter: A Bibliography, 1905-1984* (Westport, Conn.: Greenwood Press, 1985).

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