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Research Article

What is Capitalism? A Serpent Eating Its Own Tail or a Phoenix Rising from the Ashes?: A Philosophical, Methodological and Ideological Comparison of Marx and Schumpeter's Approach to Long-Term Economic Cycles

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Abstract

Introduction: This article aims to explain the philosophical, ideological and methodological differences and similarities in the analyses of modern capitalism by Karl Marx and Joseph Alois Schumpeter. This study is important in terms of showing that two economists and thinkers who are known as opponents and substitutes for each other actually complement each other at many points.

Method: The research compares the differences and complementary points of the two thinkers in terms of philosophical foundation, ideological perspective and method used, based on the expressions in the works of Karl Marx and Joseph Alois Schumpeter. The article discusses the methodological foundations and historical basis of the crisis perceptions of these two thinkers; it also questions the validity of these approaches in the context of today's digital economy and technological transformations. In this respect, the method of the article is descriptive comparison.

Results or Findings: Marx views capitalism as crisis-prone and historically limited; Schumpeter sees it as self-renewing through creative destruction. Both adopt dynamic disequilibrium frameworks from differing ideological standpoints.

Discussion or Conclusion: There are similarities as well as differences in the analysis of both thinkers. In terms of similarities, both thinkers say that the crises of capitalism stem from its own nature, while Marx argues that the process will lead to the final crisis of capitalism, Schumpeter puts forward the view that crises will lead to capitalism renewing itself. The conclusion reached by the article is as follows: As a result, capitalism can have a structure that, on the one hand, produces its own crises, and on the other hand, feeds on these crises.

Keywords: crisis dynamics of capitalism, Marx, Schumpeter, critique of capitalism, defense of capitalism, the crisis of contemporary capitalism

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Araştırma Makalesi

Kapitalizm Nedir? Kendi Kuyruğunu Yiyen Yılan mı, Yoksa Küllerinden Doğan Anka Kuşu mu?: Marx ve Schumpeter'in Uzun Vadeli Ekonomik Döngülere Yaklaşımının Felsefi, Metodolojik ve İdeolojik Karşılaştırması

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Öz

Giriş: Bu makale Karl Marx ve Joseph Alois Schumpeter'in modern kapitalizmi analizlerinde hangi felsefi, ideolojik ve yöntemsel farklılıklar ve benzerlikler bulunduğunu açıklamayı amaçlamaktadır. Bu çalışma birbirine muhalif ve birbirinin ikamesi olarak bilinen iki iktisatçı ve düşünürün aslında birçok noktada birbirini tamamladıklarını göstermesi açısından önemlidir.

Yöntem: Araştırma Karl Marx ve Joseph Alois Schumpeter'in eserlerindeki ifadelerinden yola çıkarak her iki düşünürün felsefi temel, idolojik bakış açısı ve kullanılan yöntem açısından birbirinden farklılıklarını ve birbirini tamamlayan noktaları karşılaştırmaktadır. Makale, bu iki düşünürün kriz kavrayışlarının yöntemsel temellerini ve tarihsel dayanaklarını tartışmakta; ayrıca günümüzün dijital ekonomisi ve teknolojik dönüşümleri bağlamında bu yaklaşımların geçerliliğini yeniden sorgulamaktadır. Bu açıdan makalenin yöntemi betimsel karşılaştırmadır.

Sonuçlar ya da Bulgular: Marx, kapitalizmi krizlere açık ve tarihsel olarak sınırlı görür; Schumpeter ise onu yaratıcı yıkım yoluyla kendini yenileyen bir sistem olarak değerlendirir. Her ikisi de farklı ideolojik bakış açılarından dinamik dengesizlik modelleri benimser.

Tartışma ya da Yapılan Çıkarımlar: Her iki düşünürün analizinde farklılıklar kadar benzerlikler de bulunmaktadır. Benzerlikler açısından her iki düşünür de kapitalizmin krizlerinin kendi doğasından kaynaklandığını söylerken, Marx sürecin kapitalizmin nihai krizine gideceğini savunurken, Schumpeter krizlerin kapitalizmin kendisini yenilemesine yol açacağı görüşünü ileri sürmektedir. Makalenin ulaştığı sonuç şudur: Sonuç olarak, kapitalizm, bir yandan kendi krizlerini üretirken bir yandan da bu krizlerden beslenen bir yapıya sahip olabilir.

Anahtar Kelimeler: kapitalizmin kriz dinamikleri, Marx, Schumpeter, kapitalizmin eleştirisi, kapitalizmin savunusu, çağdaş kapitalizmin krizi

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Introduction

Since its birth, the capitalist system has been defined not only by its relations of production and distribution, but also by its crises. Sometimes financial speculations, sometimes overproduction, and sometimes technological transformations have been seen as the triggers of these crises. However, a deeper and more structural question emerges beyond all these historical examples: Why does capitalism produce its own crises? This question is not limited to a technical analysis of economic cycles; it also necessitates a philosophical inquiry into the system's internal logic, contradictions, and capacity for transformation. Is the fact that capitalism generates crises from within a coincidental malfunction or a structural necessity?

In order to make sense of this question, the two metaphors in the title of the article, “the serpent eating its own tail” – or Ouroboros – and “the Phoenix rising from the ashes” offer quite meaningful images. Ouroboros is a symbol of both destruction and rebirth in ancient mythologies and alchemical traditions. By eating its own body, the snake both consumes itself and reproduces itself. This metaphor provides a powerful intellectual tool for understanding how capitalism destroys or transforms itself through crises. Marx's view of capitalism as a system that is being dragged into destruction due to its own internal contradictions reminds us of Ouroboros. On the other hand, the Phoenix is a legendary bird that originates from Ancient Egyptian, Greek and Roman mythologies. It is generally depicted as a bird with golden-red feathers and an extraordinarily long life (living for 500-1000 years). When the Phoenix's life ends, it lights a fire or burns itself under the sun and is reborn from its ashes. This cycle represents concepts such as death and rebirth, eternity, and renewal. The hope symbolized by the Phoenix is defined as change, reconstruction, and rebirth after difficult times. Schumpeter's evaluation of crises as the engine of creative destruction is closely related to the Phoenix metaphor. According to this analogy, we can say that while Marx sees capitalism as a snake eating its own tail, Schumpeter defines it as the Phoenix rising from its ashes.

Although Marx and Schumpeter addressed the crisis dynamics of capitalism on different philosophical, historical and analytical foundations, it is clear that both thinkers grasped the instability of the system as a structural feature. For Marx, crisis is a necessary result of the contradictions that capital encounters in the accumulation process; the decline in profit rates, overproduction and class antagonisms are the dialectical moments of this process. For Schumpeter, crisis is the direct result of the entrepreneur's innovative activity; creative destruction, not stability, is the norm. Both thinkers saw capitalism not as a static but as a dynamic structure; they conceptualized crises, which are the carriers of this mobility, through the fundamental internal logic of the system. At this point, especially in light of phenomena such as the 2008 global financial crisis, the digital revolution and ecological destruction, the re-evaluation of the analyses of these two thinkers has become a great intellectual need.

The method to be followed in this study will be to compare the crisis understandings of Marx and Schumpeter through a conceptual analysis of classical texts. The texts of both thinkers will be examined not only within their historical contexts but also within the framework of their own internal consistency, ontological assumptions and definitions of crisis. In this context, the approach of the study will be interpretive like a historian of economic thought and analytical like a theoretical structuralist. The author's own position is not to take sides between these two thinkers, but to rethink them in each other's mirror and to investigate the conceptual possibilities that may arise from this thinking.

The article will consist of four main sections. In the first section, the philosophical backgrounds of Marx and Schumpeter, their understanding of history and the meaning they attribute to crises will be discussed. The second section will comparatively examine the methodological approaches of both thinkers and their analyses of long-term fluctuations. The third section will discuss the ideological background of both approaches in the context of their critique or defense of capitalism. In the last section, the conclusions that can be drawn from this comparison will be evaluated and an intellectual framework on the crisis of contemporary capitalism will be proposed.

Philosophical Ground

Marx

The philosophical structure behind Marx's understanding of crisis is directly related to his understanding of historical materialism. According to Marx, human history is the history of conflicts between those who own the means of production and those who do not. The basis of social formations is the contradiction between modes of production and the productive forces and relations of production that these modes contain. In capitalist society, this contradiction takes the form of class struggle between the bourgeoisie and the proletariat. This class structure determines not only the economic relations of exploitation but also the origin of crises. Because crisis is a historical threshold at which the productive forces can no longer be constrained by the existing relations of production. Marx expresses this situation with the following words: "The social productive forces become incompatible with bourgeois relations of production... These relations turn from their mode of development into a fetter" (Marx, 1867/1990, p.529). In this context, Marx understands the crisis not only as a statistical distribution, but as an explanation of an outburst in the region.

This historical necessity is explained by Marx's dialectical materialism. The process of capital accumulation has an internally contradictory structure. On the one hand, the productive forces develop, capital expands and labor productivity increases; on the other hand, this development also contains tendencies that erode capital's own foundation: the abstraction of the labor process, the tendency for profit rates to fall, overproduction, social alienation. Capital also consumes the conditions that make its own growth possible. Marx formulates this dialectic as follows: "The real obstacle to capitalist production is capital itself. This system cannot allow wealth to develop on its own foundation" (Marx, 1867/1990, p.567) These contradictions show that the system can be overcome not with temporary reforms but with a structural transformation. Therefore, in Marx, crisis is not a random or external event; it is a dialectical necessity arising from the internal logic of capital: capital accumulates → contradictions deepen → crisis occurs → the system begins to dissolve.

The teleological understanding of history that Marx developed within this framework constructs the historical development of humanity in a progressive and directional manner. Capitalism represents a more advanced stage compared to previous modes of production; however, this superiority does not make it the final stop. On the contrary, capitalism is doomed to be overcome by its own internal contradictions. The historical process makes room for the next mode of production by resolving its own contradictions. In this sense, the capitalist mode of production creates its own gravedigger – the proletariat – while at the same time preparing the historical preconditions for a higher social formation, namely communism. The following statements by Marx are a clear summary of this understanding: "The bourgeoisie produces, first of all, its own gravediggers. Its collapse and the victory of the proletariat are both inevitable and historically necessary" (Marx, & Engels, 1848, p.21). For Marx, history is a necessary

process of transformation that progresses not by chance but through internal contradictions; and crisis is both the messenger and the trigger of this process.

Schumpeter

Schumpeter's understanding of history differs significantly from Marx's historical materialism; his approach is based on a Weberian individualism that emphasizes historical realism and the role of individual actors. Schumpeter evaluates historical processes not through structural necessities, but through the creative actions of actors that emerge in specific historical contexts. According to him, the main source of economic change is not rational expectations or class struggles, but the entrepreneurial individual who creates "new combinations." This individual is the engine of history. Schumpeter formulates this approach as follows: "Economic development is initiated by the entrepreneur who carries out new combinations... The historical process becomes intelligible only through the deeds of individuals" (Schumpeter, 1934,p.87).

This individual-centered understanding of history merges with the innovative entrepreneur figure that Schumpeter places at the center of his explanation of capitalist development. In his eyes, capitalism is not a static structure, but a constantly transforming process that creates revolution from within. This revolution occurs not through technological innovations, but through the entrepreneur who puts these innovations into production. In this context, Schumpeter's famous concept of "creative destruction" is not only an economic mechanism, but also the symbol of a historical dialectic. Every innovation of the entrepreneur brings with it the collapse of the old order. "The opening up of new markets, the organizational development... incessantly revolutionizes the economic structure from within, incessantly destroying the old one, incessantly creating a new one. This process of Creative Destruction is the essential fact about capitalism" (Schumpeter, 1942, p.83).

Contrary to Marx's construction of crisis as a historical necessity, Schumpeter sees crises as probabilistic transformation processes inherent in the system. Crises are not the collapse of the system, but the means of its restructuring. The stability of capitalism depends on its ability to produce imbalances. Schumpeter breaks away from static equilibrium analyses of capitalism and conceives it as a dynamic, unpredictable, but systematically progressing structure. Therefore, crises are not the "disease" of capitalism, but an indicator of its healthy functioning. "Capitalism is by nature a form or method of economic change and not only never is but never can be stationary" (Schumpeter, 1942,p.82).

Comparison at a Philosophical Level: Marx and Schumpeter

The fundamental distinction behind Marx and Schumpeter's crisis analyses is embodied in the question of who makes history: Structures or individuals? According to Marx, history is shaped by the contradictions between production relations and productive forces; individuals assume supporting roles in this process but cannot go beyond structural necessities. In contrast, for Schumpeter, history flows through the ruptures created by individuals – especially innovative entrepreneurs. While in Marx, crisis is the necessary result of structural contradictions, in Schumpeter, crisis is the imbalance caused by the creative energy of the individual. For this reason, while Marx's historical materialism interprets freedom within structural necessity, Schumpeter identifies freedom with individual initiative and creativity. Therefore, between Marx's dialectical understanding of history and Schumpeter's interpretation of evolutionary capitalism, philosophical oppositions such as necessity and freedom, structure and agency, materialism and individualism are decisive. Both thinkers see capitalism as a

dynamic and crisis-prone structure; but they differ radically on the source and meaning of this dynamism.

Table 1

Comparative Philosophical Table: Marx ↔ Schumpeter

Philosophical Dimension		Marx	Schumpeter
Who Makes History?		Structures: Mode of production, class relations	Individuals: Innovative entrepreneurs
Necessity Freedom	–	Necessity in the foreground; history flows with a dialectical necessity	Possibility and individual initiative are emphasized
Philosophical Basis		Historical materialism, dialectical materialism	Historical individualism, understanding of evolutionary process
Source of Crisis		Internal contradictions of capital (fall in the rate of profit, overproduction)	Innovation process and creative destruction
Meaning of Crisis		Sign of the collapse of the system and the transition to a new social formation	System renewal and evolutionary transformation
Understanding of History		Teleological: Tendency towards communism	Evolutionary: Uncertain, cyclical and open-ended
Social Agent		Proletariat (class)	Entrepreneur (individual)
Ethical Position in Crisis		Criticism of capitalism and the need to overcome	Inevitable part and even power of the dynamics of capitalism

Note. Created by the author.

Methodological Distinctions

Marx

In Marx's analysis, the method is not simply historical narrative or abstract theorecticality; he develops a structural-analytical approach that can be defined as the reconstruction of the concrete through abstraction. The method followed in *Capital* is aimed at revealing not the superficial phenomena of political economy, but the structural logic of the relations of production behind them. In this context, the general laws of motion of capital are reached by starting from the analysis of commodities and values. Marx writes the following about his method: "The concrete is concrete because it is the concentration of many determinations, hence unity of the diverse... the method of rising from the abstract to the concrete" (Marx, 1993, p.101). Within this structure, crises are analyzed not only as external shocks but within the internal logic of the production process itself. Marx's method is based on a structural analysis that constantly reestablishes the distinction between appearance and essence.

The most striking outcome of this method is Marx's theory of crisis. The law of the tendency of the rate of profit to fall, especially discussed in Volume III of *Das Kapital*, shows the destructive moment that the process of capital accumulation carries within itself. The systematic fall of the rate of profit in the face of an increasing organic component (c/v ratio) weakens the ability of capital to reproduce at some point. Marx defines this tendency as follows:

“The law of the tendency of the rate of profit to fall... expresses a peculiar form of the internal contradiction of the capitalist mode of production” (Marx, 1990, p.319).

When this decline is combined with overproduction, crisis becomes inevitable. Crisis is a disaster for capital, but it is also the condition for the system to reorganize itself. At this point, Marx evaluates overproduction not only as excess, but also in the context of the limited capacity for consumption: “There is no doubt that the real barrier of capitalist production is capital itself” (Marx, 1990,p.358).

Marx understands capitalist development not only as a linear growth process, but within the cycle of the rise and fall of accumulation regimes. Each wave of capital accumulation begins with an expansion phase, followed by saturation, then contraction and crisis. However, these cycles are not technical, like Schumpeter’s business cycles, but rather historical and structural in content. Crisis is not just an economic contraction, but the mode of production hitting its historical limits. Marx expresses these processes as follows: “At a certain point, the development of the productive forces becomes a barrier for capital; hence the forces must be destroyed or shackled” (Marx,2020, p. 257). Marx’s cyclical thought is thus a temporal condensation of the internal contradictions of capitalism, ultimately leading to a system transformation.

Schumpeter

Schumpeter's method of analyzing the capitalist system is shaped by the concepts of innovation and business cycle, especially those presented in *The Theory of Economic Development*. Schumpeter explains capitalist development not only with the supply-demand balance, but also with internal shocks that occur over time. These shocks occur when innovations - new products, production methods, marketing forms - are integrated into the economic process. Each wave of innovation disrupts the previous balance and triggers a business cycle. These cycles are not limited to short-term fluctuations. Schumpeter argues that the Kitchin (3-5 years), Juglar (7-11 years), Kuznets (15-25 years) and Kondratieff (40-60 years) cycles overlap throughout economic history: “The process of industrial mutation — if I may use that biological term — incessantly revolutionizes the economic structure from within, destroying the old one, creating a new one. This is the essential fact about capitalism” (Schumpeter, 1942,p.83)

Schumpeter’s methodological break is his departure from the static equilibrium analysis of classical economics and his focus on a dynamic system approach. He argues that general equilibrium theories are inadequate in understanding capitalism because he argues that capitalism is inherently based on producing imbalance rather than balance. Entrepreneurial innovations rapidly affect investment, employment and consumption, quickly moving the system away from its previous equilibrium state. Therefore, Schumpeter’s analysis is not about static systems, but about structures that are disrupted and rebuilt: “Without development, there is no history in the economic sense; only circular flow. Development disturbs the circular flow and changes its structure” (Schumpeter, 1934,p. 63). This approach positions capitalism not only as a production-consumption system, but as a set of structures that are constantly revolutionizing.

However, Schumpeter’s method is not established with the formal mathematical models of neoclassical economics, but with an analytical but historicist approach. In his analysis, business cycles trace theoretical structures supported by empirical data, but this tracing is not done directly with formal equations, but through the classification of economic historical facts.

While trying to trace entrepreneurial behavior and structural transformations in certain cyclical structures, he bases himself on qualitative distinctions, not quantitative tools. “The explanation of the business cycle lies in the mechanism of economic development... which proceeds in waves and cannot be understood by equilibrium theory alone” (Schumpeter, 1939, p.172). In this respect, Schumpeter’s method is positioned on a structural-evolutionary level rather than a formal one in its effort to understand the dynamic structure of capitalism.

Comparison of Methodological Approaches

Marx and Schumpeter's analyses of capitalist crises have significant differences not only in terms of content but also in terms of their methodological frameworks. Marx develops a structuralist and dialectical method that attempts to reveal the deep structural relations of the system by going beyond its superficial appearances. He positions crises as expressions of capital's internal contradictions and sees these contradictions as historically inevitable. In contrast, Schumpeter grasps capitalism not through static equilibrium analyses but within a dynamic and historical evolution. In his approach, crises are moments of transformation arising from the system's own internal creativity. In Marx's analysis, contradiction and necessity are at the forefront, while in Schumpeter's, innovation and possibility are at the forefront. While Marx acts with a search for structural integrity, Schumpeter follows individual revolutions within historical continuity. Thus, the methodological differences of the two thinkers cause a deep divergence in their approaches to the nature and function of crises.

Table 2

Methodological Comparison Table: Marx ↔ Schumpeter

Methodological Dimension	Marx	Schumpeter
Type of Analysis	Structural, dialectical, from abstract to concrete	Evolutionary, historical, individual-centered
Conception of Crisis	The necessary result of internal contradictions	Creative imbalance resulting from innovation
Conception of Time	Dialectic transformation proceeding through historical moments	Evolutionary progress in perpetual motion
Perpetrator Approach	Classes (especially the proletariat)	Entrepreneurial individual (innovator)
Methodological Tools	Theoretical abstraction, law of value, analysis of production relations	Business cycle analysis, historical sampling, factual explanation
Modeling	Conceptual systematic, non-mathematical structural analysis	Empirical monitoring, non-mathematical but cyclical structure construction
Function of Crisis	The harbinger of internal systemic dissolution and historical transition	A tool for systemic restructuring and renewal
Theoretical Goal	Criticism and overcoming of capitalism	Understanding the inner workings of capitalism, explaining its evolution

Note. Created by the author.

Ideological Ground

Marx

Central to Marx’s critique of capitalism is the idea that this system is doomed by its own internal contradictions. Although capitalism has the ability to develop the productive forces to unprecedented levels, its failure to manage these forces and to align them with social needs is its own downfall. Capitalist production concentrates the means of production in order to create

more value, abstracts labor power, and reduces social needs to market profit. This process causes the system to exhaust its own material basis—labor power and nature. Marx states this clearly: “Capitalist production...tends towards the absolute impoverishment of the working class. It undermines the original sources of all wealth—the soil and the laborer” (Marx, 1867/1990, p.554).

In this context, according to Marx, crisis is not a temporary deviation of capitalism, but a historical impulse towards its surpassing. Crisis is not the moment when the system loses its capacity to reproduce itself, but the moment when that system hits its historical limits. Every crisis carries within itself the preconditions for a more advanced social structure. The contradictory nature of capital accumulation makes crisis both a destructive and a constitutive moment. Therefore, Marx’s crisis analyses contain not only technical or economic, but also historical-strategic meanings: “The real barrier of capitalist production is capital itself. It is this contradiction which causes explosions, crises and finally the violent overthrow of the system.” (Marx, 1867/1990, p.530).

This potential for historical transformation is closely tied to Marx’s labor theory of value and the function he attributes to the proletariat as a revolutionary subject. Labor is both an exploited and a transforming force. The labor theory of value reveals the contradiction embedded in the foundation of capitalist production: while the source of surplus value is labor, this labor is commodified in the production process and separated from its free potential. This alienation is a sign of the decay not only of the individual but of the entire social system. However, this same labor, when organized historically, is the only force capable of overthrowing the existing mode of production. Marx’s words are the essence of this ideological framework: “The proletarians have nothing to lose but their chains. They have a world to win.” (Marx & Engels, 1848, p.35).

Schumpeter

Schumpeter accepts that capitalism is full of contradictions; however, he does not see these contradictions as destructive processes like Marx, but rather as regenerative and creative processes. According to him, the competition and entrepreneurship inherent in capitalism constantly destroy old structures and build new ones in their place. Therefore, crises are not moments that disrupt the stability of the system, but rather moments that enable its evolution. In Schumpeter’s eyes, capitalism is a system that feeds on constant change and organizes this change through the forces of production. This approach is concentrated in his famous concept of “creative destruction”: “The fundamental impulse that sets and keeps the capitalist engine in motion comes from the new consumers’ goods, the new methods of production... and the new forms of organization that capitalist enterprise creates” (Schumpeter, 1942,p.83).

However, for Schumpeter, this process of constant renewal involves not only an economic but also a sociological and cultural transformation. This creative power of capitalism erodes its own institutions over time. The institutionalization of innovations, large-scale enterprises, and individual dynamism in social life leads to the bureaucratization of entrepreneurship, the pacifying effect of consumerism, and the conflict of democratic demands with economic logic. For this reason, Schumpeter argues that capitalism cannot remain internally alive and will weaken over time due to its own successes: “Can capitalism survive? No. I do not think it can. But this failure will not be due to its economic weakness, but to its success” (Schumpeter, 1942,p.61).

Despite this view, Schumpeter's approach is not that capitalism should be historically overcome, as Marx's did. He sees the dissolution of capitalism not as a historical necessity but as a sociological tendency. And the direction of this tendency is toward socialism; however, the socialism he envisions is much more technocratic and governance-oriented than Marx's revolutionary vision. Schumpeter's understanding of socialism is as much about administrative rationality as it is about public ownership. In this respect, while he praises the potential of capitalism, he develops a calm resignation to its historical destiny. His basic feeling about capitalism is admiration, and about socialism, inevitability: "What we have to accept is that the capitalist process, by its very success, tends to destroy the institutional framework which it creates and on which it depends" (Schumpeter, 1942,p.134).

Comparison of Ideological Approaches to Capitalism

Marx and Schumpeter's assessments of capitalism are based not only on different philosophical or methodological positions, but also on a deep ideological divide. For Marx, capitalism is a historical mode of production that alienates human labor, plundered nature, and institutionalized class exploitation. His critique is nourished by a historical belief that this system will resolve itself through internal contradictions and give way to a higher formation. Schumpeter, on the other hand, argues that capitalism transforms itself through the same contradictions; crises are not points of dissolution of the system, but opportunities for restructuring. Despite this optimism, however, Schumpeter also accepts that capitalism will be weakened in the long run by its own successes. Thus, while Marx conceives capitalism as a structure that must be overcome, Schumpeter sees capitalism as an organism that is admired but is historically doomed to extinction. While one calls for revolution, the other prepares for a nostalgic farewell.

Table 3

Ideological Approach Table: Marx ↔ Schumpeter

Ideological Dimension	Marx	Schumpeter
General Attitude to Capitalism	Harsh system critique; structurally unsustainable	Admiration and acceptance; but historically destructible
Crisis Perception	The harbinger of internal disintegration, revolutionary moment	Agent of renewal, internal dynamism of the system
Revolutionary Potential	Proletariat; overcoming the system through class struggle	Entrepreneurial individual; transformation from within the system
Understanding of Socialism	Historical necessity; abolition of private property and classless society	Sociological tendency; technocratic management and administrative rationality
Concept of Labor	Source of value; exploited but transformative power	Not productive, but responsive element; not carrier of innovation
Ideological Sense	Anger, criticism, revolutionism	Admiration, irony, nostalgia

Note. Created by the author.

Conclusion

Marx and Schumpeter's predictions about capitalism are gaining new meaning in the first quarter of the 21st century, especially in light of global crises and technological transformations. Marx's idea that capital accumulation is heading towards collapse due to internal contradictions seems to be reaffirmed by current developments such as increasing income inequality, deepening environmental crises and the abstraction of productive labor through digitalization. On the other hand, Schumpeter's approach centered on innovation and

creative destruction has an impressive explanatory power in the context of the rise of digital platform capitalism, the globalization of the entrepreneurial cult and the structural transformations caused by information technologies. This situation shows that the analyses of the two thinkers may not have opposing but rather complementary aspects. Depending on these aspects, one may need to understand in what cases of contemporary economies and societies Marx and Schumpeter's frameworks may be helpful to the researchers. Two paragraphs below may humbly represent some of these.

The contemporary capitalist system, especially since the 1980s, has increasingly evolved into a financialized structure where the accumulation of capital is detached from productive labor and anchored in speculative markets. This decoupling resonates deeply with Marx's critique of capital abstraction and the alienation of labor. The rise of derivatives, algorithmic trading, and the dominance of global financial institutions have expanded the "fictitious capital" layer Marx anticipated, intensifying contradictions between the real economy and financial markets. Moreover, the digitalization of labor – gig work, algorithmic management, and platform-based employment – furthers the commodification of human labor into fragmented, precarious forms. This abstraction of labor from social reproduction ties back to Marx's analysis of capital's self-destructive tendencies, as the foundations of value creation – labor and social needs – become increasingly marginalized.

In contrast, the digital revolution has brought Schumpeter's vision of innovation-driven capitalism into a new era. Platform capitalism – characterized by global giants like Amazon, Uber, and Airbnb – exemplifies the dynamic of creative destruction in its purest form. These platforms disrupt traditional industries, reorganize labor markets, and reshape consumer behavior, reflecting Schumpeter's thesis that innovation is the primary engine of capitalist transformation. Yet, this new entrepreneurial landscape also highlights the ambivalence of Schumpeter's theory: while fostering unprecedented growth and efficiency, it concentrates market power and creates monopolistic tendencies, challenging the very dynamics of competition. In this sense, the rise of digital entrepreneurship illustrates both the vitality and the potential exhaustion of Schumpeterian capitalism in the 21st century.

The global financial crisis of 2008 was a historical turning point that revived the theories of both thinkers. On the one hand, the crisis revealed that the financialized form of capital accumulation had hit the limits of speculative expansion and an updated version of Marx's "tendency of falling profit rates," while on the other hand, the digitalization boom in the post-crisis period was a concrete staging of Schumpeter's concept of creative destruction. The crisis was both destructive and constitutive, structural and technological; this duality provided fertile ground for reinterpreting the ideas of Marx and Schumpeter. The crisis is not only a mirror of the past but also of the future.

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