Objective/Briefing
To show how relevant the ideas of economist Joseph Schumpeter are for today’s economic challenges.

Synopsis
Schumpeter- The Man Who Discovered Capitalism or the Prophet of Creative Destruction tells the extraordinary story how capitalism really works. Today the digital revolution gives new traction to Schumpeter’s theory.

Our film shows parts of Schumpeter’s tumultuous life. Moreover it shows how 'Creative Destruction' is important to innovation and the story of digital revolution.

A Colourful Character
Schumpeter was a maverick, who cared little about social conventions; an intellectual showman who was equally at home in the USA as in Europe.

As a young Professor, he fought a duel with a librarian to secure his students access to books. As director of a bank, he made a point of consorting in public with ladies of questionable virtue. And one of his favourite stories was that he aspired to become the greatest economist of the world, the best horseman of Europe, and the best lover in Vienna. Then came his punch line: things were not going well with the horses.

A Radical Thinker
Only now, Schumpeter’s ideas are getting the recognition they deserve - because the digital revolution has vindicated Schumpeter’s idea that innovation is the key driver of economic growth. And that the key actors of the capitalist innovation machine are the entrepreneurs - visionaries like Steve Jobs and others.

Schumpeter’s most famous idea, the concept of ‘creative destruction’, is now the buzzword ‘disruption’ in Silicon Valley: innovation is always accompanied by the decline of businesses that are made obsolete by innovation.

And unlike most mainstream economists, Schumpeter did not regard economic crises as a failure of the system. To him, recessions were the inevitable consequence of innovation.

New economists, like Carlota Perez, have taken this idea further and have shown that technological revolutions always result in speculative bubbles followed by financial crashes. This adds a surprising new angle to the credit crunch of 2008. Other economists, like Mariana Mazzucato, have married Schumpeter’s ideas with those of his rival, Keynes. They’ve redefined the role of the state - not as Keynesian repair only shops.

The film tells three narratives: the story of Schumpeter’s life, the development of his ideas, and how the digital revolution illustrates these ideas.

Successful entrepreneurs such as Eric Wahlforss (Soundcloud), Renaud Visage (Eventbrite) or Martin Eberhard (Tesla) share the secrets of their success. First-hand witnesses of the digital revolution, such as early Apple staff or the Silicon Valley journalist, Robert Cringley, provide the inside story of the digital revolution.

Former students of Schumpeter like nobel laureate Robert Solow bring their teacher’s character and eccentricities to life.

Executive Producer
Philipp Hoepp

Director/Author
Detlef Siebert

Camera
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Music
Dominic de Grande