



# Creative destruction and disruptive innovations

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Joseph  
Schumpeter

*Capitalism,  
Socialism, and  
Democracy (1942)*

## **Creative destruction**

New (disruptive) innovations transform current industries and create new values by destroying earlier economic structures and values



Joseph  
Schumpeter

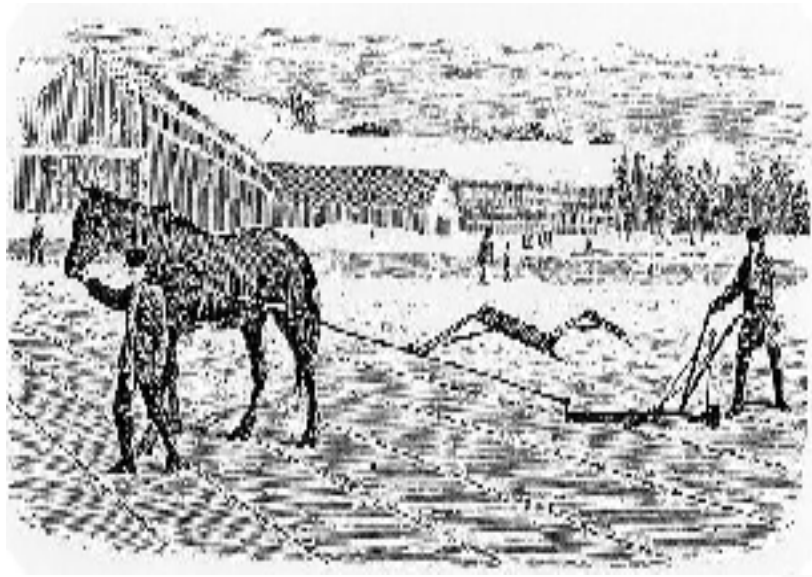
Capitalism,  
Socialism, and  
Democracy (1942)

*The opening up of new markets, foreign or domestic, [...] illustrate the same process of industrial mutation—if I may use that biological term—that 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.*

## Lake-ice → Refrigerators







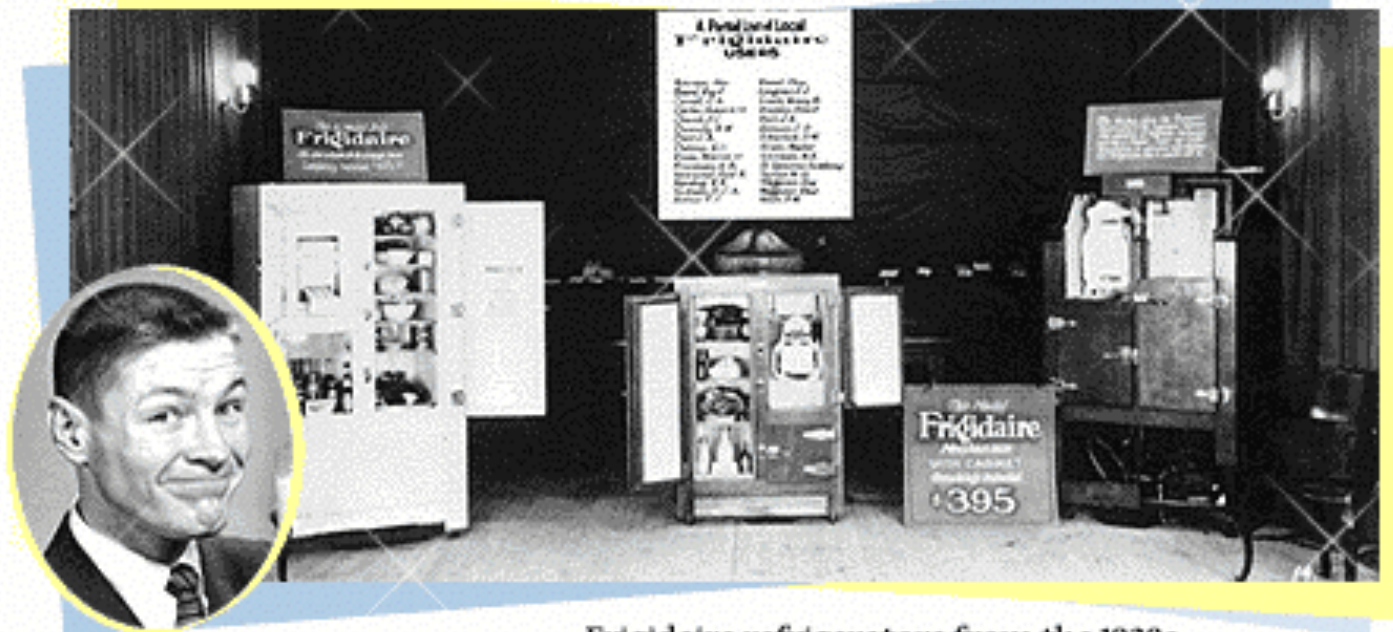
ice harvesting during  
the 19th century





An ice box.

Technological transition –  
from old "box" to new

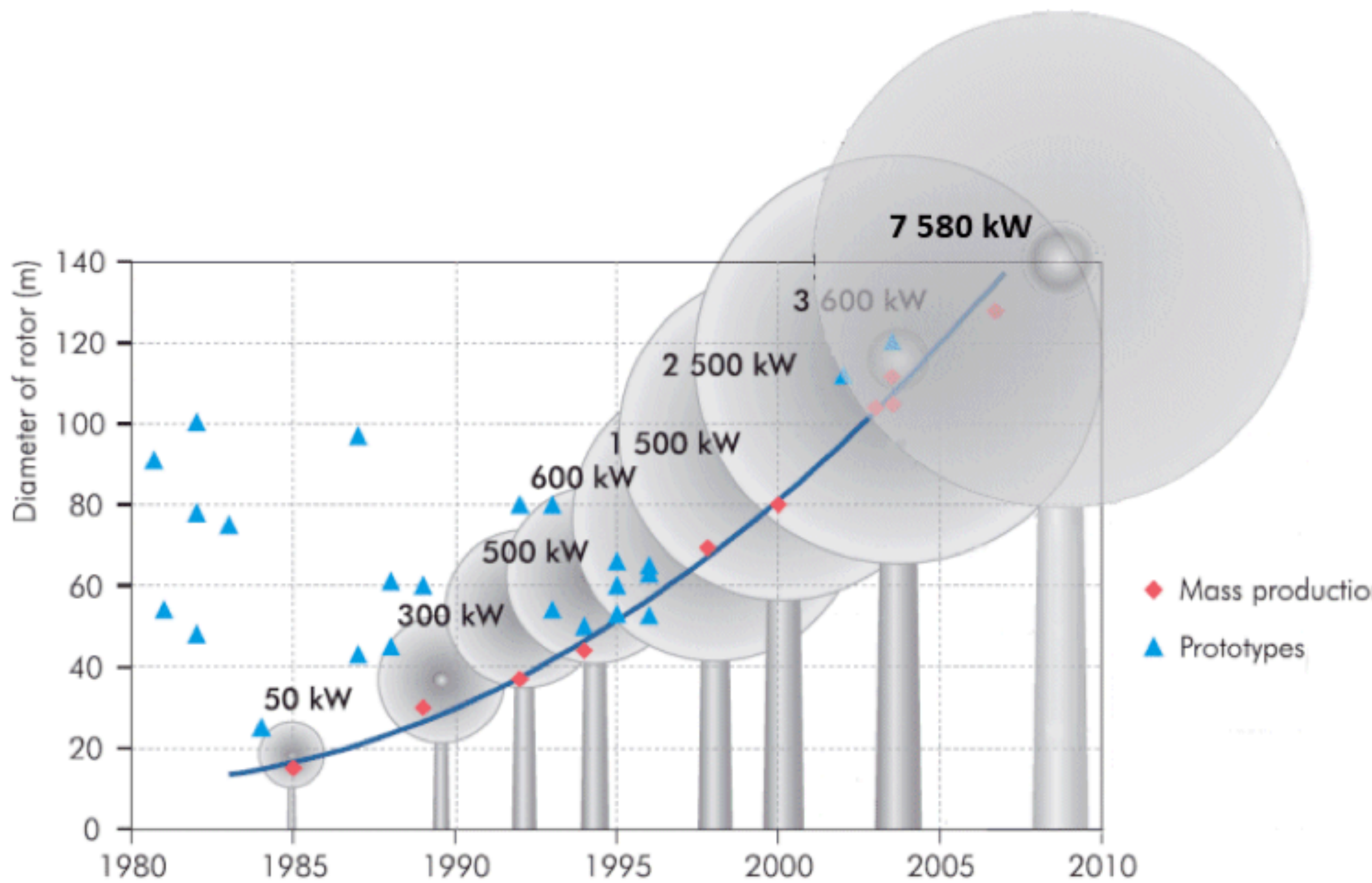


Frigidaire refrigerators from the 1920s

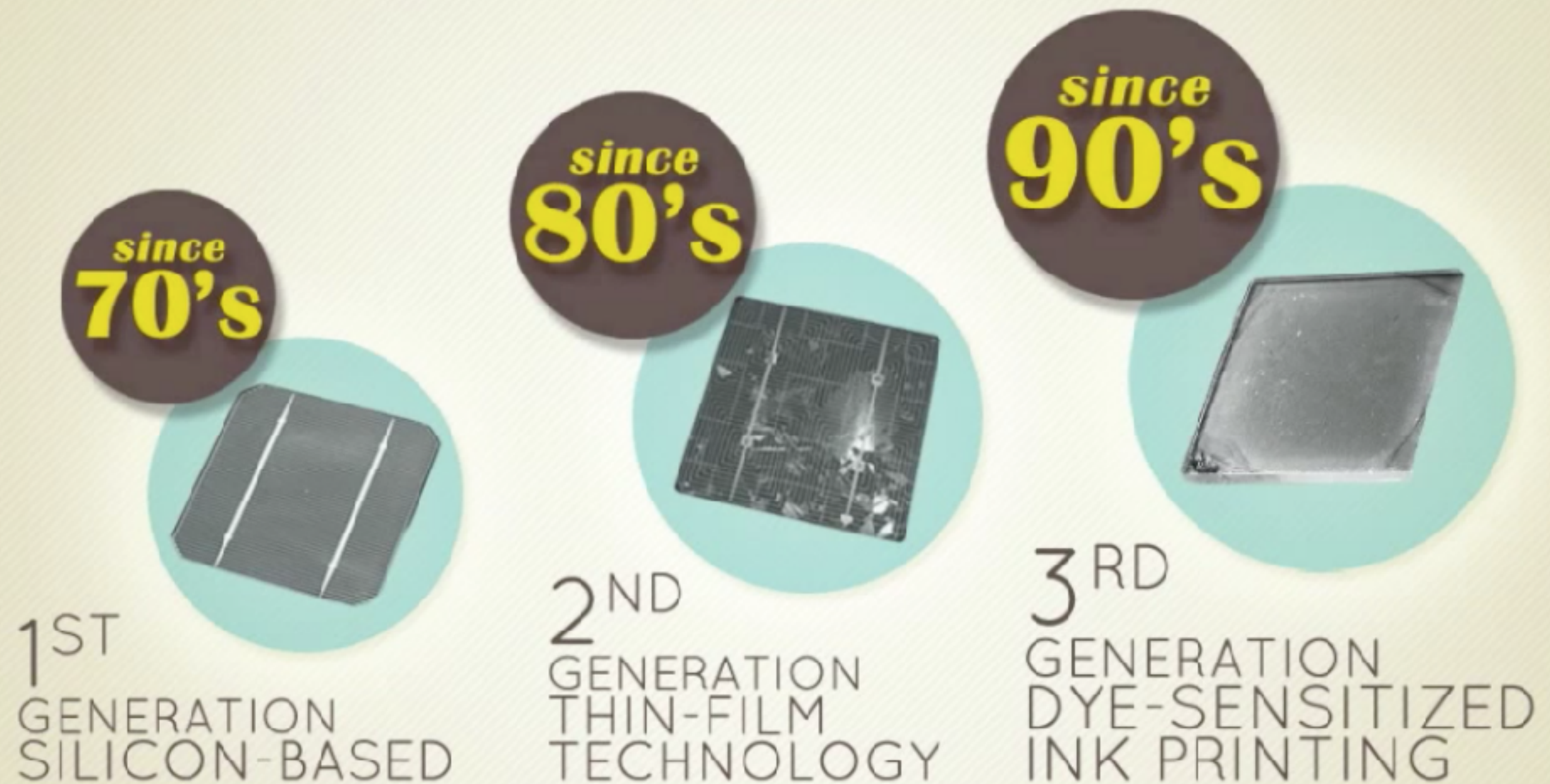


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Source: International Energy Agency (IEA)



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