# Capitalism K – Update

# Capitalism K UD – Link – Transportation

## Transportation leads to new forms of capitalism that destroy local economies

Baumol, Schramm, Litan2007

(William, Carl, Robert, Professor of economics at NYU and Princeton, Ph.D. in economics, former director of the Brookings economic studies department, “Good Capitalism, Bad Capitalism, and the Economics of Growth and Prosperity,” page vii, 5/2/2007)CTL

The most important of these developments was the remarkable resurgence of productivity growth and innovation in the United States in the 1990s, made possible largely by new, innovative companies, and not by the established giants that had previously dominated the U.S economic landscape. Something new was afoot, and to one of us, it was sufficiently important to merit a special label: ‘entrepreneurial capitalism,” a type of capitalism where entrepreneurs, who continue to provide radical ideas that meet the test of the marketplace, play the central role in the system. This apparently new form of capitalism differed from its counterparts in other countries, especially in Japan and continental Europe, where radical entrepreneurship was noticeably absent and where a combination of large enterprises, often “championed” by their governments, and small retail or “mom and pop” shops dominated the economy. Drawing on this simple insight, we realized that capitalism in other countries took different forms. In some the state seemed to be directing traffic, hence our term “state guided capitalism”, a form of economic organization that seemed for many – and may still seem – to be the key to jump-starting growth in less developed countries. In other countries the state may also have played a role, but the leaders of government and the narrow elites who backed them (or feared them) did not seem to care as much about growth as they did about keeping the spoils of the economy to themselves. The economies were capitalist in the sense that private property was allowed; it’s just that it was highly concentrated in the hands of a few. These economies seemed to be characterized as “oligarchic.”

# Capitalism K UD – Impact – Corruption

## As capitalism spreads, it corrupts less developed countries

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