

## Stealth of Nations by Robert Neuwirth



Review by Joy Stoddard

The book begins with Neuwirth's visit to the street market of Rua Vinte e Cinco de Março in the center of São Paulo, Brazil, a famous area for bulk shopping of knock-offs and counterfeits like Calvin Klein cologne cling-wrapped in styrofoam clamshells, novelties like plastic windup launchers that shoot small helicopters, DVDs and CDs, prepared foods and discount underwear. The market engine starts at 3:30am and lasts until about four hundred thousand people on the average weekday process through. The 8,000 retailers, Brazilians and Chinese immigrants, attract one million shoppers a day on special holidays to this market known also as "Bazaarastan".

Annually Bazaarastan brings in almost \$10 billion, illustrating that there is another economy out there, the "microscopic yet global" economy on which "much of the world survives, and how many people thrive, yet it is ignored and sometimes disparaged by most economists, business leaders, and politicians." Neuwirth refers to this economy as System D, a slang phrase from French-speaking Africa and the Caribbean referring to *debrouillards*, people who are resourceful and entrepreneurial, the citizens who make up the "ingenuity economy". The total value of System D at the writing of this book was close to \$10 trillion.

From São Paulo, Neuwirth travels to Lagos, Nigeria, one of the fastest growing cities on the planet. Here he witnesses another DIY (do-it-yourself) city and its economic system of dashing, or bribery, within System D. Lagos is where the author meets entrepreneur Andrew and the rest of the 2,000 scavengers who work the city dump. Andrew collects and sells plastic to the Chinese, rubber to the Muslims and iron to whoever would give him the best price. After 16 years as a dump scavenger, Andrew started his own business out of his dump profits, Right Time Investments. In seeking capital to expand this business, Andrew realized he needed a bigger boost than the largest microcredit organization in Lagos could offer. Andrew's business is too micro for macrocredit and too macro for microcredit.

Another Nigerian entrepreneur, David, brought electricity to the masses as he contracted with a Chinese firm to produce small diesel-powered generators under his uncle's brand name, Aakoo, and shipped them home to Nigeria. Neuwirth points out that Americans sometime think that we are the force behind globalization, but indeed it David and thousands of others who make this engine run. Next we're in Paraguay with Juan, an immigrant success story whose business illustrates that where there are borders, there is bribery and also smuggling, which exists because of price differences. Neuwirth presents how governments and large companies like Proctor and Gamble, Unilever, MTN and Inditex

tolerate System D and also how banks won't get involved. Banks, he presents, "continue to operate in one direction only, taking money but not giving loans".

Following Juan, we're in Brooklyn with Emily, a System D jewelry maker, then in San Francisco with Brandon who started Mission Minis, a line of minicupcakes that are sold in Whole Foods Market. Neuwirth says Adam Smith may not have been able to imagine it in his time, but "the new route to success in the economically successful countries of the world involves not one job but several – most often in System D". To illustrate this point, Neuwirth revisits an earlier theme in the book about London as a System D city as far back as the 1300s, using Chicago and New York as examples, highlighting how success is revered, although not the struggle along the way.

After a visit in northern Hong Kong with a recycler, Neuwirth takes us on a journey of economics, highlighting Adam Smith's first use of "invisible hand" in his first book *The Theory of Moral Sentiment*, and then the tenets of John Maynard Keynes, Simon Kuznets, Edouard Glissant and more. This enhances the read along with the chapter introductions from Smith's *Wealth of Nations*. The most powerful part of the book besides the personal stories of entrepreneurs is the next few chapters that detail how formalizing the informal and making honest men out of con men, managing cities to support people who contribute to the overall economy, and figuring out how to foster the informal economy would help it become "more productive, more efficient and effective".

Finally, we end up back in Nigeria with 13-year old Monsurat, a vendor of Pure Water, heat-sealed plastic baggies of water, and the issue of child labor. Worldwide support of System D would be a positive way to reduce child labor, as well as giving a hand up to entrepreneurs who are building a better world, one deal at a time.

*Stealth of Nations* is an enjoyable, informative read, especially if the reader has interest in cities around the globe and learning about their System D to help find solutions to support it.