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The Prosperity Paradox, a Review

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in 1992, with a population of billions, had only 200,000 unit-sales of microwaves. Global brands ignored the microwave market in China because “the existing demand was small, microwave ovens were expensive, and the average Chinese consumer could not afford one.” Meanwhile, Liang Zhaoxian saw these same facts about microwaves in China and then saw opportunity. He built the company Galanz, targeting the nonconsumption of microwaves while large, established companies focused on markets that were already saturated. Galanz offered inexpensive microwaves to Chinese consumers who hadn’t even been exposed to the idea of a microwave oven and created a thriving network that helped propel the booming Chinese economy of today.

In the United States, our history is riddled with innovators who targeted nonconsumption. Singer Sewing Machines observed how people didn’t have access to a large clothing wardrobe or even the ability to patch and mend clothes and then acted. Henry Ford observed how people weren’t riding vehicles that wouldn’t defecate in roadways and require constant feeding and then acted. Netflix observed how people weren’t watching whatever movie or TV show they wanted instantly and then acted. Simply put, if you’re intending to make big impact and generate massive value to consumers, look at what people aren’t consuming and then make it happen.

**Pulling vs. Pushing**

As one of many paradoxes in the book, the authors astutely note that corruption is not the problem to those who participate in it, but rather their solution. Poverty and lack of opportunity stare millions of individuals in the face every day, and often some corrupt act is the best or only viable option. People choose to “hire” corruption for a job that needs to be done (see also Buzzwords in this same issue). Often intermingled with this phenomenon is that of poor infrastructure and huge government project flops—think abandoned Brazilian Olympic arenas (see Back to Beijing) or the unfinished Foreshore Freeway Bridge in Cape Town. Could there be one solution for both of these difficulties? Perhaps so. The authors assert that when entrepreneurs innovate, they pull in troves of resources that are shared by their nations and communities. These resources nullify the need for corruption and often require that businesses begin building a country’s infrastructure themselves, as with the early road and power lines built by private enterprise in the United States. Developed countries often fail in their well-intentioned attempt to push in cash to solve such problems, but by turning our attention to innovation, we let entrepreneurs pull in resources naturally.

**Prosperity as a Process**

The Prosperity Paradox is a fantastic read for the business-minded. But, more importantly, it delivers on what people from every field can do to help those who aren’t experiencing prosperity. I would highly recommend this book as a thoughtful and authentic read that blends our common humanity with honorable ambition.