



Policy reforms and Political Mobilization	<ul style="list-style-type: none"> ▪ One way that resources were transferred to the lower echelons of society was through patronage-based programs intended to exchange those resources for popular support for the ruling coalition. ▪ Economic liberalization has limited this patronage. At the same time, "Neopopulism" in Latin America and other regions creates a new pattern of mobilization involving personalistic appeals through the electronic media and more limited patronage. ▪ The appearance of neopopulism has coincided with the growing influence of large businesses many of which provide campaign finance to neopopulist leaders. The uneven distribution of infrastructure and social services can generate "<i>spatial inequality traps</i>" that leave vast expanses of territory backward and economically stagnant.
Inequality and Economic Insecurity	<ul style="list-style-type: none"> ▪ In nine East African countries maintenance spending covered only 20% of current road networks ▪ In Latin America, investment in infrastructure dropped from 3% of GDP in 1980 to less than 1% in 2001. ▪ In India, the share of state government expenditures on social services declined from 53% in the 1980s to 35% in the 1990s ▪ Multiple inequalities cumulate and impose the worst suffering. Minorities, women, and indigenous peoples are acute victims of inequality traps. ▪ In Mexico, indigenous Mexicans have an 81% poverty rate compared to 18% for the rest of the population. ▪ Women and female children in India's poorest state of Bihar are not only the least educated (female literacy rates in some districts are below 3%) but also the most malnourished. ▪ Property rights regimes often discriminate against women even in societies—like in sub-Saharan Africa—where agricultural production depends heavily on women's labor. ▪ The accumulation of these disparities curtail the life chances of women. ▪ The worst manifestation of this inequality is in the female infanticide that produces sex ratios of 1.17 males (under four years old) to females in China, 1.15 in Korea and 1.08 in India. ▪ In Brazil, India, Thailand, and Pakistan, politically connected firms get privileged access to finance from the public sector. ▪ In Mexico, politically-connected firms absorb so much finance that they reduce the access of competitors even though they're 33% more likely to default.
Unemployment	<ul style="list-style-type: none"> ▪ Unemployment rates are a crude measure of economic insecurity. ▪ Despite robust economic growth and a 2% annual productivity growth since 1995, unemployment is up over the last 10 years in every developing region but the Middle East and Northern Africa ▪ The vast majority of workers in the informal economy are poor and their jobs are insecure because their employment is not recognized or protected under any legal framework. ▪ Non-agricultural self employment is one of the best indicators of the size of the informal sector and has grown substantially in virtually all regions of the developing world. ▪ In Africa, 90% of new employment was in the informal economy. ▪ In Latin America 1980s and 1990s, 80% of new jobs created were in the informal sector. ▪ From 1972–1974, welfare spending in 52 developing countries averaged 3.2% of their GDP; in 1994–1995, welfare spending in these countries dropped to 2.5% of GDP.

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